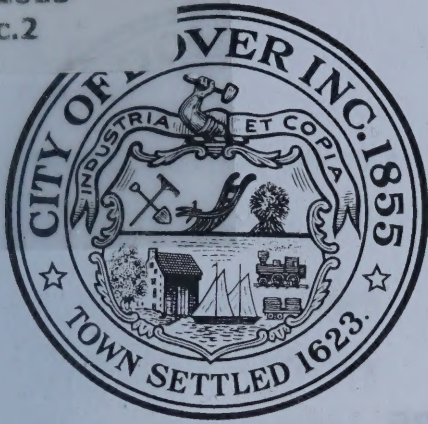


352.0742b
D75
2018
c.2



City of Dover

New Hampshire

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

CITY OF DOVER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

Prepared by:
The Finance Department

Daniel R. Lynch
Finance Director

38207426
D75
2018
C.2

CONTENTS

INTRODUCTORY SECTION:

Transmittal Letter	1
Organizational Chart	13
Directory of Officials	14
Certificate of Achievement	15

FINANCIAL SECTION:

Independent Auditors' Report	17
Management's Discussion and Analysis	19

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position	34
Statement of Activities	35

Fund Financial Statements:

Governmental Funds:

Balance Sheet	37
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	38
Statement of Revenues, Expenditures, and Changes in Fund Balances	39
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	40
Statement of Revenues and Other Financing Sources, and Expenditures and Other Financing Uses - Budget and Actual - General Fund	41

NHSL - CONCORD
MAY 13 2021

Proprietary Funds:

Statement of Net Position	42
Statement of Revenues, Expenses, and Changes in Fund Net Position	43
Statement of Cash Flows	44

Fiduciary Funds:

Statement of Fiduciary Net Position	45
Statement of Changes in Fiduciary Net Position	46

Notes to Financial Statements	47
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Funding Progress – City of Dover Retiree Group Health Insurance Plan	91
Schedule of Proportionate Share of Net OPEB Liability – New Hampshire Retirement System Group Health Insurance Plan	93
Schedule of Contributions – New Hampshire Retirement System Group Health Insurance Plan	93
Schedule of Proportionate Share of Net Pension Liability	94
Schedule of Contributions	95

SUPPLEMENTARY STATEMENTS AND SCHEDULES:

Governmental Funds:

Combining Financial Statements:

Combining Balance Sheet - Nonmajor Governmental Funds	105
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	113

Detail and Combining Budget and Actual Statements:

Detail Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund	125
Detail Schedule of Expenditures and Other Financing Uses – Budget and Actual - General Fund	127
Combining Schedule of Revenues and Expenditures – Budget and Actual – Annually Budgeted Nonmajor Governmental Funds	129

Enterprise Funds:

Schedule of Revenues and Expenses - Budget and Actual – Enterprise Funds	137
--	-----

Internal Service Funds:

Combining Statement of Net Position – Internal Service Funds	141
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	142
Combining Statement of Cash Flows – Internal Service Funds	143
Schedule of Revenues and Expenses – Budget and Actual – Internal Service Funds	145

Fiduciary Funds:

Combining Statement of Assets and Liabilities – Agency Funds	151
Combining Statement of Changes in Assets and Liabilities – Agency Funds	152
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	153
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	154

STATISTICAL SECTION:

Financial Trends:

Net Position by Component – Last Ten Fiscal Years	157
Changes in Net Position – Last Ten Fiscal Years	158
Fund Balances, Governmental Funds – Last Ten Fiscal Years	159
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	160
Changes in Fund Balances, General Fund – Last Ten Fiscal Years	161
Changes in Fund Balances, Special Revenue Funds – Last Ten Fiscal Years	162
Changes in Fund Balances, Capital Project Funds – Last Ten Fiscal Years	163
Combined Utility Fund Revenue, Expenses, and Changes in Fund Net Position – Last Ten Fiscal Years	164

General Government Tax Revenues by Source – Last Ten Fiscal Years	165
Revenue Capacity:	
Property Tax Levies and Collections – Last Ten Fiscal Years	166
Assessed and Estimated Full Value of Real Property – Last Ten Fiscal Years	167
Principal Taxpayers – Current Year and Nine Years Ago	168
Property Tax Rates per \$1,000 of Assessed Value – Direct and Overlapping Governments – Last Ten Fiscal Years	169
Utility Fund Net Budget, Billable Volumes and Rates – Last Ten Fiscal Years	170
Dover's Share of Strafford County Tax Apportionment – Last Ten Fiscal Years	171
Debt Capacity:	
Ratios of Long-Term Debt Outstanding and Legal Debt Limits – Last Ten Fiscal Years	172
Ratios of Outstanding Debt by Debt Type – Last Ten Fiscal Years	173
Computation of Overlapping Debt - Strafford County Long-Term Debt – Last Ten Fiscal Years	174
Demographic and Economic information:	
Demographic Statistics – Last Ten Fiscal Years	175
Principal Employers – Current Year and Nine Years Ago	176
Operating information:	
Operating Indicators by Function – Last Ten Fiscal Years	177
Capital Asset Statistics by Function – Last Ten Fiscal Years	178
City Government Employees by Function – Full Time Equivalents – Last Ten Fiscal Years	179
School Building Information – Last Ten Fiscal Years	180
School Department Operating Statistics – Last Ten Fiscal Years	181
School Educational and Service Information – Last Ten Fiscal Years	182

INTRODUCTORY SECTION

J. Michael Joyal, Jr.
City Manager
m.joyal@dover.nh.gov



288 Central Avenue
Dover, New Hampshire 03820-4169

(603) 516-6023
Fax: (603) 516-6049
www.dover.nh.gov

City of Dover, New Hampshire OFFICE OF THE CITY MANAGER

December 31, 2018

To the Honorable Mayor and members of the City Council:

City Charter Section C6-12, Independent Audit, requires an annual independent audit of all City accounts at least annually. This Comprehensive Annual Financial Report (CAFR), including the opinion of the independent auditor, is published to fulfill that requirement for the fiscal year ending June 30, 2018.

The CAFR covers all funds of the City of Dover that by law, City Charter, or other fiduciary obligation, the City has become obligated to administer in connection with its responsibility for providing services.

This report consists of management's representations concerning the finances of the City of Dover. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making the representations, management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Wipfli LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unmodified opinion that the financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with federal funding requirements, with special emphasis on internal controls and requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Users of this CAFR are encouraged to read this Letter of Transmittal in conjunction with the City's MD&A section found immediately following the report of the independent auditors.

Profile of Government

Geography. Dover, New Hampshire is located ten miles from the Atlantic Ocean in southern New Hampshire and is 48 miles south of Portland, Maine and 68 miles north of Boston, Massachusetts. Situated at the confluence of the Cochecho, Salmon Falls and Bellamy Rivers, Dover is a major New Hampshire industrial, employment, and distribution center for the seacoast. Dover provides a gateway to both the Maine coast and the White Mountains of New Hampshire. The City of Dover occupies an area of 29 square miles. According to the U.S. Census Bureau, the City has an estimated population of 31,495, a 5.0% increase over the last official census of April 2010 number of 29,987.

The City of Dover, settled in 1623, is the oldest continuous settlement in New Hampshire and the seventh oldest in the United States. It was incorporated on June 29, 1855. The City Charter adopted on March 9, 1977, remained in effect until a new charter was passed on November 8, 2005 and effective January 1, 2006. Only minor changes were made versus the old charter. On November 6, 2007, the charter was amended establishing a limitation on annual budget increases. On November 10, 2010 the New Hampshire Supreme Court ruled that the November 6, 2007 charter amendment is invalid since it is contrary to state law. In the 2011 session of the State legislature, authorization for municipalities to adopt charter amendments for budget or tax levy limitations was enacted. On November 8, 2011 the charter was amended to change the language establishing the limitation on annual budget increases to a limitation on annual property tax levy increases. Dover operates under the council-manager form of government. Dover is the seat of Strafford County.

Services. The City of Dover provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal and recycling, water distribution, wastewater collection and treatment, recreational and cultural events and education from kindergarten through grade 12 with a regional vocational center and alternative high school opportunities.

Governing Boards. The City Council, consisting of nine members, is the legislative body elected in non-partisan elections every two years, with one representative from each of six wards, two elected at-large and a Mayor. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, adopting a six-year capital improvements program, adopting bond authorizations, appointing committees and boards, and hiring of the City Manager. The City of Dover is empowered by state statute to levy property taxes on real property located within its boundaries to fund operations.

The Dover School Department is a dependent school district. The City Council has bottom line appropriation authority for the School Department budget. The seven-member Dover School Board is elected in non-partisan elections every two years and has authority to allocate and move appropriations within its budget.

Administration Administrative functions are carried out by the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, compliance with State and Federal laws, for overseeing the day-to-day operations of the government, for appointing the heads of the various departments, for negotiating with the various bargaining units of the City and making recommendations to the City Council on various issues.

Administrative functions of the dependent School district are carried out by the School Board. The Board is responsible for carrying out policies and procedures, compliance with State and Federal laws, overseeing the day to day operations of the dependent School district, negotiating with the various bargaining units, making appointments of school personnel, establishing curriculum and addressing various issues.

Fiscal Year and Budget. The City's fiscal year begins on July 1st of each year and ends the following June 30th. The City's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of \$25,000 or more for items with useful lives of 3 years or longer are included in this budget. Based on City Council financing policy, items are identified for bonding, appropriation in the annual operating budget or other type of financing.

Items identified for the annual operating budget are included in the next City Manager's proposed annual budget. Departments are responsible for submitting their annual budget request to the City Manager. After reviews with the departments, the City Manager makes any final adjustments to his proposed budget. The City Manager's proposed annual budget for the next fiscal year, which includes the School Board request, is due to the City Council by April 15th of each year.

The City Council may add to, or cut from, the Manager's proposed annual budget by majority vote; however, the City Council must pass the budget by June 15th after separate public hearings for the City and School budgets and the budget becomes effective July 1. If the City Council does not adopt the budget by June 15th, the City Manager's proposed budget takes effect July 1.

After the original budget is adopted, the City Manager may make appropriation transfers within a non-school department or transfer between non-school departments with City Council approval. After initial adoption, the City Council may amend the budget by two-thirds vote.

Factors Affecting Financial Condition

Local Economy. The local economic environment continues to demonstrate improvement over past fiscal year through growth in many sectors. Advanced manufacturing clusters, computer and staffing services, mixed use/multi-unit residential construction and healthcare related businesses have expanded and continue to be attracted to Dover. Retail businesses experienced mixed, but mostly positive results. Dover continues to attract new restaurants and brewpubs with some traditional restaurants experiencing the challenges of increased competition.

Economic development activity continues to support local business retention and expansion. Financing for small businesses and startups, though challenged with increased banking regulations and slightly higher interest rates has improved moderately in the last fiscal year.

Through consistent outreach efforts, supported by pro-business attitudes within city government, convenient services for businesses and developers, and Dover's enhanced quality of life, over 100 new or expanded businesses have been attracted to Dover with 800 employees during the past seven years.

Dover has benefited by geographic factors which create a positive location for Dover to prosper economically. Dover is halfway between Portland, ME and Boston, MA, thirty minutes from the ocean and an hour from the mountains. From a transportation perspective, Dover is close to the I-95 corridor and serviced by the AMTRAK Downeaster transit system. The regional proximity to UNH, Pease Tradeport, and the Portsmouth Shipyard add stability and diversity to the region's economic mix and enhance Dover as a viable business location and tourism destination.

Between 2000 and 2018, Dover was the fastest growing city in New Hampshire with a population over 10,000 and continues to be an attractive community for a younger median age of population, and with families. Dover continues to show a 10.4% growth rate in households with children under the age of eighteen. The labor force of Dover has continued to grow about 1% per year with slight variations above and below that trend line.

Dover's local current unemployment rate is 2.2% which is 0.1% lower than this time last year. The City's unemployment rate has consistently been lower than that of the United States as a whole, (4.2%) and the State of New Hampshire (2.6%).

In combination with the current economic environment and unemployment levels the median per capita income in Dover was \$33,637, median household income was \$63,096, and median family income was \$81,321

Mixed use, manufacturing, and residential, development has continued to be growing sectors during the fiscal year. Three more large scale buildings with commercial on the first floor and residential above, were approved on Pointe Place. A medical building is underway on Central Avenue at exit 7 and a commercial node is underway on Central Avenue at Glenwood. The 2015/2016 opening of the Police Station combined with a public parking garage on part of the city's Orchard Street parking lot is already contributing to the vibrancy of the downtown area. The Cochecho Waterfront Development Advisory Committee (CWDAC) has selected a preferred developer as a result of its request for proposals for developers to implement the vision for the waterfront, as laid out by Dover's consultant, Union Studio. CWDAC crafted a layout with infrastructure plans which create a clean and developable parcel to market to the private sector for redevelopment. Smaller rehabilitation projects along Central Avenue have continued over the past year.

Phase 1 of the First Street development, a \$10,100,000 mixed use development, is completed with full residential occupancy. At full build out, the project is expected to provide a minimum of \$275,000 annual property tax revenue guaranteed for at least 24 years. The second phase is in the permitting and planning process. The City sold the Third Street parking lot to a developer, who received Planning Board and City Council approval to create two (2) mixed use buildings with commercial on the first floor. This redevelopment is underway and includes residential and commercial uses on the site, as well as maintain approximately 26 parking spaces for use by the public.

Additionally, the Planning Board approved a mixed-use redevelopment at the corner of Chapel and Mechanic Streets and Third and Grove Streets. These projects have a combined 45 residential units and first floor commercial, with the intention of attracting retail and restaurant users. These projects are underway. Finally, the Planning Board approved a conversion of 40,000 square feet of vacant industrial space within a former mill to 54 residential units. These downtown infill projects will continue to keep the City core vibrant.

The City Council approved a Land Development Agreement with prospective developers of property bounded by Washington, Chestnut and Locust Streets. This mixed-use project, which is under construction, will widen the intersection at Washington and Chestnut Streets as well as create a building with a post redevelopment assessed value of over eleven (11) million dollars. The Council reviewed and approved an application for use in the Community Revitalization Tax Credit district for this project. The pre-redevelopment value of the property is approximately \$1,300,000. Post development value is guaranteed to reach a minimum of \$11,000,000, five years after the issuance of the Certificate of Occupancy.

The Dover Business and Industrial Development Authority continues to search for appropriate sites for a second business park development. The funding for this business park has been approved in the FY2015 CIP. A new park would add depth to Dover's non-residential market, and would allow for more diversity in footprints, so that Dover would continue to be an attractive location for businesses looking for development sites ranging from 25,000 square feet buildings to over 100,000 square feet. Currently, Dover has not found suitable and available sites to take advantage of this potential but is making progress in acquiring sites for this purpose through rezoning efforts.

The Exit 9 corridor off the Spaulding Turnpike, in addition to the 100,000 square feet medical practice building in full occupancy, now has a large dental facility and a dialysis center in operation, both with significant business success and full employment. This corridor, anchored by Liberty Mutual, continues to attract larger commercial and industrial users to the City and continues to be a benchmark for economic development activities. Two small strip malls and a large storage facility are currently under construction.

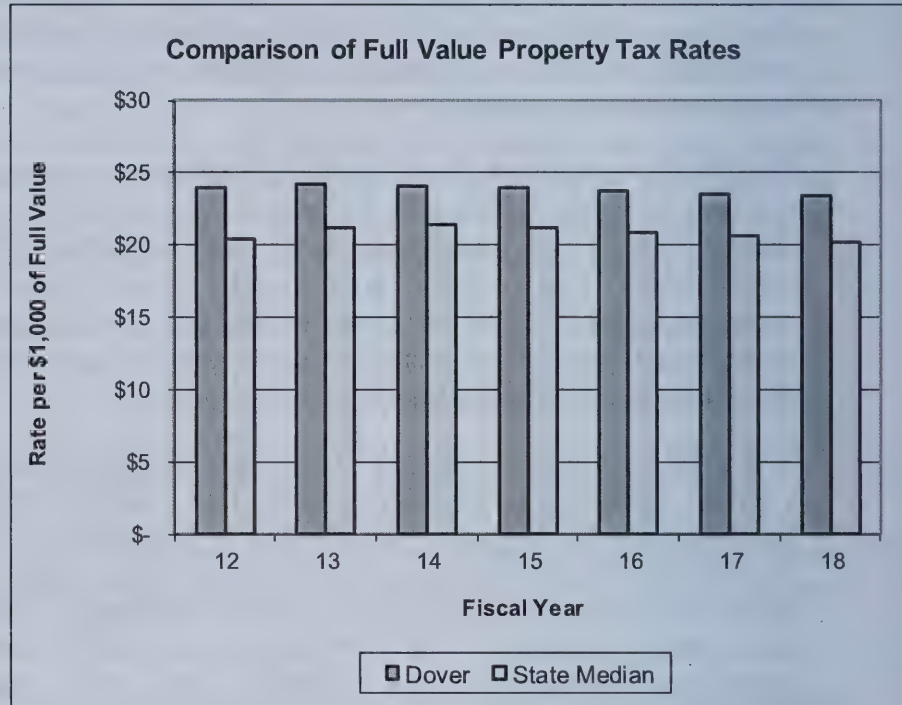
The City Council approved a Land Development Agreement for a former McIntosh College property at 181 Silver Street. This public/private partnership allowed for the development of roadway infrastructure in association with a \$30 Million development incorporating a high-end assisted Living facility, rehabilitation of a hotel, a medical practice building, a branch bank and a restaurant/ coffee shop on the site. A site plan was approved by the Planning Board in 2016, and the assisted living facility, hotel and restaurant have opened. The public roadway improvements were completed and are improving traffic flow on Silver Street.

The City Council also approved a land development agreement for a mixed-use development on Pointe Place, located off Dover Point Road. This project includes single family homes, as well as 5 mixed use buildings, with 60,000 square feet of commercial space on the first floor, and apartments above. The public private partnership also includes the construction of two multi-use ball fields, the donation of park land to the City and public access to conservation land located off Dover Point Road. The multi-use fields have been completed and donated to the City the roadway base course is complete and the first two of the mixed-use buildings is complete. Construction should begin on the third building in early 2019. The tax guaranteed value of the project is \$7,000,000 in tax year 2019, and \$17,000,000 in a tax year to begin 5 years after the mixed-use building is completed.

Over the past year, a special committee created by the Planning Board has been reviewing opportunities to rezone land from residential (primarily single family) to commercial/industrial uses. The committee hopes to have a report to the Planning Board in January, so it can evaluate areas to rezone. The report should identify short term, medium and long-term changes.

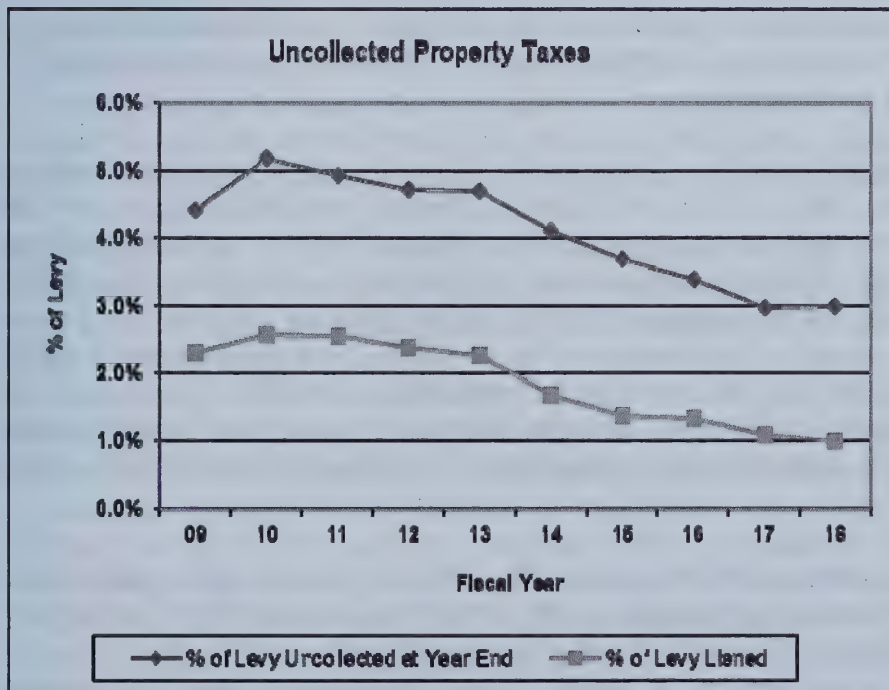
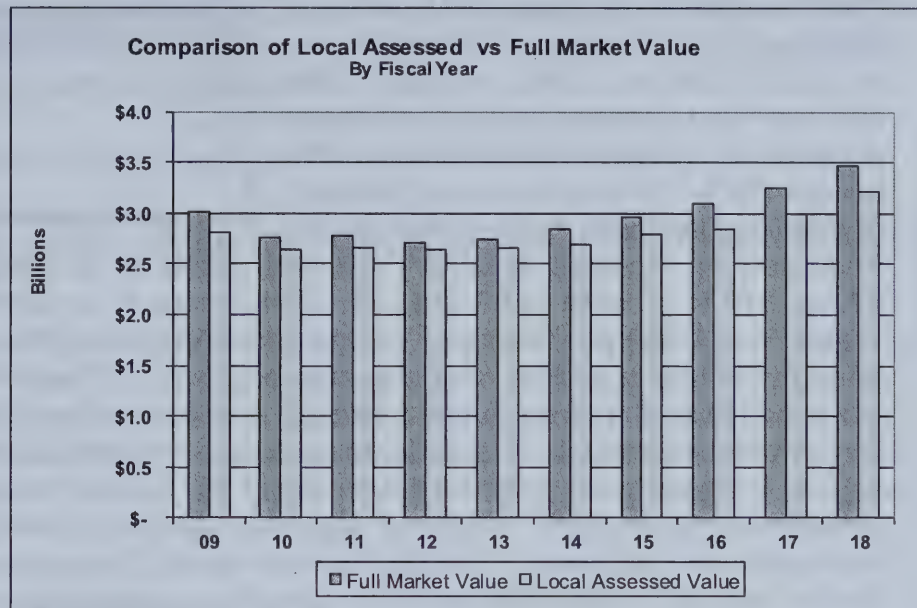
The number of motor vehicle registrations were stable with 32,345 in FY18 as compared to 32,625 in FY17. The number of building permits increased from 537 in FY17 to 579 in FY18 and the average permit value increased from \$223,178 to \$288,165.

The City's full value property tax rate remained stable in comparison to the NH State median. The median reflects the mid-point of all rates in the State. Because Dover remains approximately at the median, this means that about half of the tax rates in the State are higher than Dover's and about half are lower. This is a good measure of tax burden as all municipal assessed values are brought to full market value and tax rates equalized.



The real estate sales activity in Dover for FY2018 was 1,023 transactions equal to 1,023 for FY2017. This level of activity represents transfers of 10.0% of taxable parcels during FY18, consistent with the level of 10.1% in FY17. In conjunction with this activity, the number of taxable parcels increased from 10,139 in FY17 to 10,190 in FY18, less than a 1% increase. The volume of taxable parcels in combination with an increase of property values has resulted in the estimated equalized property value per capita changing from \$104,267 for FY17 to \$111,382 in FY18, an increase of 6.8% for the fiscal year.

Full market value as determined by the NH Department of Revenue Administration increased 6.82% during the fiscal year. Assessed value as a ratio of full market value was 92.4%. In fiscal year 2018 the City's assessed property values appeared to have increased based on sales data. As of April 1, 2018, the City's overall assessed values demonstrated a 9.7% increase in value over the prior year.



The percentage of uncollected taxes for the current tax levy at the end of fiscal year 2018 was 3.0% (the actual amount changed from \$2.3 million to \$2.4 million). There were 221 parcels from the current tax levy with outstanding taxes that had a lien placed, equal to 221 for fiscal year 2017. The actual amount of the lien changed from \$884,104 to \$850,503.

Financial Position. The City's General Fund ended Fiscal Year 2018 with an increase to its Unassigned Fund Balance of \$1,975,166 to \$21.2 million. The General Fund unassigned fund balance at June 30, 2018 was 18.4% of the FY19 budget (15% is the minimum requirement of the City Financial Policies). The Water

Unrestricted Net Assets		
Fund	FY18	FY17
General	21,211,552	19,236,386
Water	(2,575,583)	(7,590,576)
Sewer	103,866	(439,243)
Total	18,739,835	11,206,567

Fund saw an increase in unrestricted net assets of \$3,014,993, from a deficit of \$7,590,576 to a deficit of \$2,575,583. The change in unrestricted net assets of the Water Fund is the positive result of operations, financing the system wide upgrades through the use of a state revolving loan program and the funding of certain capital asset additions that were funded through capital reserves instead of by debt. The City's water infrastructure is undergoing a system wide upgrade. The Sewer Fund saw an increase in unrestricted net assets of \$543,109, from a deficit of \$439,243 to a positive balance of \$103,866. A significant portion of the change in unrestricted net assets of the Sewer Fund is the positive result of operations, investments in capital assets financed through the use of a state revolving loan program and contributed infrastructure assets and state grants received during the current fiscal year.

The liquidity of the General, Water and Sewer Funds is good and continues to show a favorable trend. This is based on the quick ratio which is a measure of current assets (excluding inventories) divided by current liabilities. The General Fund had a quick ratio of 2.34 with Water and Sewer Funds of 1.51 and 1.84, respectively. A ratio of 1 is considered satisfactory.

The amount of debt incurred by the City remains below the State statutory limits as set forth in RSA 33:4-a for the City and School District, and RSA 33:5-a for the Water Fund. There is no statutory debt limit for the Sewer Fund. The State statutory limit for the City is 3% of Base valuation as determined by the New Hampshire Department of Revenue Administration (NH DRA), the statutory limit for the School District is 7% of Base valuation as determined by NH DRA, and the statutory limit for the Water Fund is 10% of base valuation as determined by NH DRA. As of June 30, 2018, the City had utilized 52.0% of its statutory debt limit, the School District utilized 38.69% of its statutory debt limit, and the Water Fund had utilized 11.9% of its statutory debt limit.

The City Council established self-imposed policy limits that are significantly lower than those set by State statute. As of June 30, 2018, the percent of the City's more conservative debt policy used was 80.1%, the School District is at 137.7% of the City Council self-imposed policy limit as a result of debt financing a new high school. General Fund net debt per capita is at \$4,214. The General Fund's net debt to equalized value is 3.80%. The General Fund's net debt service as a percent of budget is 9.95%. This measure is close to the 10% limit recommended by policy, it is partially as a result of a higher rate of debt pay down resulting in a favorable reduction in the cost for debt.

The Water fund is at 237.72% of the City Council self-imposed policy limit. The Sewer fund remained within the City Council self-imposed policy limits with 36.2% being utilized. Net debt service to budget in the Water Fund is 35.25% and 25.85% within the Sewer Fund, within the 40% set by policy.

In November 2017 Standard & Poor's reaffirmed the City's April 2015 AA+ rating.

Policy Monitoring, Long Term Financial Planning, and Responding to Economic Impacts

On April 27, 2011 the City Council adopted a resolution to implement a set of 32 financial policies. These adopted policies include maintaining all of the existing policy statements adopted in 1996 with updates to several of the benchmark indices. In addition, several new policy statements were also included reflecting the most current best practices identified by the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting. On an annual basis the City Council is provided with a Financial Policy Scorecard documenting the City's compliance with benchmarks established in the policies.

The City Council routinely adopts fiscal initiatives to respond to the changes in the economy that have resulted in impacts such as declines to non-property tax revenues and the community's tolerance for tax increases. The City Council continues to limit the adoption of bonding authorizations to be consistent with the annual amount of debt being retired by the City's tax supported General Fund. The objective of this initiative is to move the City away from recurring debt financing and funding capital through reserves and the annual operating budget at an appropriate level to move from debt financing certain capital outlay. These actions are consistent with the City's Debt Issuance and Management financial policies.

In Fiscal Year 2016, the City Council amended the City's financial policy relative to maintaining a minimum 8% unassigned fund balance in the General Fund to a level of 15%. A copy of the financial policies adopted by the City Council is available on the City's website.

The City Manager and City Department Directors conduct an on-going evaluation of fiscal operations to ensure that expenditures are managed in concert with revenues to ensure General Fund Balance is maintained consistent with City policy limit of 15%. In FY2018 the City complied with the General Fund Balance policy by achieving an Unassigned Fund Balance of 18.4%. In response to past U.S. economic declines and the national rating agencies placing importance on municipalities increasing operating reserves, the City managed fiscal operations to increase General Fund operating reserves in FY2018.

In FY2018 the City was successful in contributing 30% of the calculated OPEB Actuarial Determined Contribution to an established OPEB irrevocable trust. This action is consistent with the City's financial policy objective for managing and prefunding the City's OPEB obligations. FY2018 represents the seventh year in a row that the City has funded a percentage of the OPEB Actuarial Determined Contribution. As of June 30, 2018, \$6.9 million was in the OPEB Trust. In Fiscal Year 2019 the City anticipates contributing \$1.2 million into the OPEB Trust.

In FY2018 the City, consistent with financial policies, maintained sufficient annual contributions into the General Fund Capital Reserve, Water Fund Capital Reserve and Sewer Fund Capital Reserve.

The City recognizes the importance of a formal process for long term financial planning and forecasting. The City continues to utilize a formal forecasting software application to aid in financial planning. The City utilizes this tool to provide insight to evaluating policy recommendations. The software is utilized to provide formal fiscal forecasting reports complete with national, regional, and local economic overviews and a 5-year projection of both General Fund operations and tax levy impacts as part of the budget process. The City utilizes a structured capital budgeting process to establish a 6-year plan for capital outlay requirements for the city. This capital improvements plan is updated annually with a focus on funding capital through the City's annual operating budget and reserves, thereby reducing the City's need to issue debt. The funding requirements identified in the capital improvements plan are incorporated into the City's formal forecasting software.

Acknowledgements

This report continues to refine the financial reporting of the City. This is the fifteenth year the City has produced a comprehensive annual financial report (CAFR).

This report includes the continuing implementation of Governmental Accounting Standards Board's (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. An actuarially determined liability of the City cost of medical benefits provided to retirees, and employees that will be eligible to receive such benefits upon retirement from the City, is incorporated into the financial statements and the footnotes.

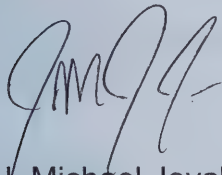
The Government Finance Officers Association of the United States and Canada (GFOA) awarded thirteen consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Dover, NH for its Comprehensive Annual Financial Report beginning for the fiscal year ended June 30, 2004 through June 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

This recognizes the City's Finance Department's efforts for full disclosure of the financial information of the City. A CAFR is a much more detailed reporting of the City's finances, as well as providing historical information in the statistical section of this report.

The Certificate of Achievement is valid for a period of one year only. The City believes that the current CAFR continues to meet the Certificate of Achievement Programs' requirement and it will be submitted to the Government Finance Officer's Association to determine its eligibility for another certificate.

The publication of the CAFR requires many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department. Credit must also be given to the Mayor and City Council for their continued support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "J. Michael Joyal, Jr.", written in a cursive style.

J. Michael Joyal, Jr.
City Manager

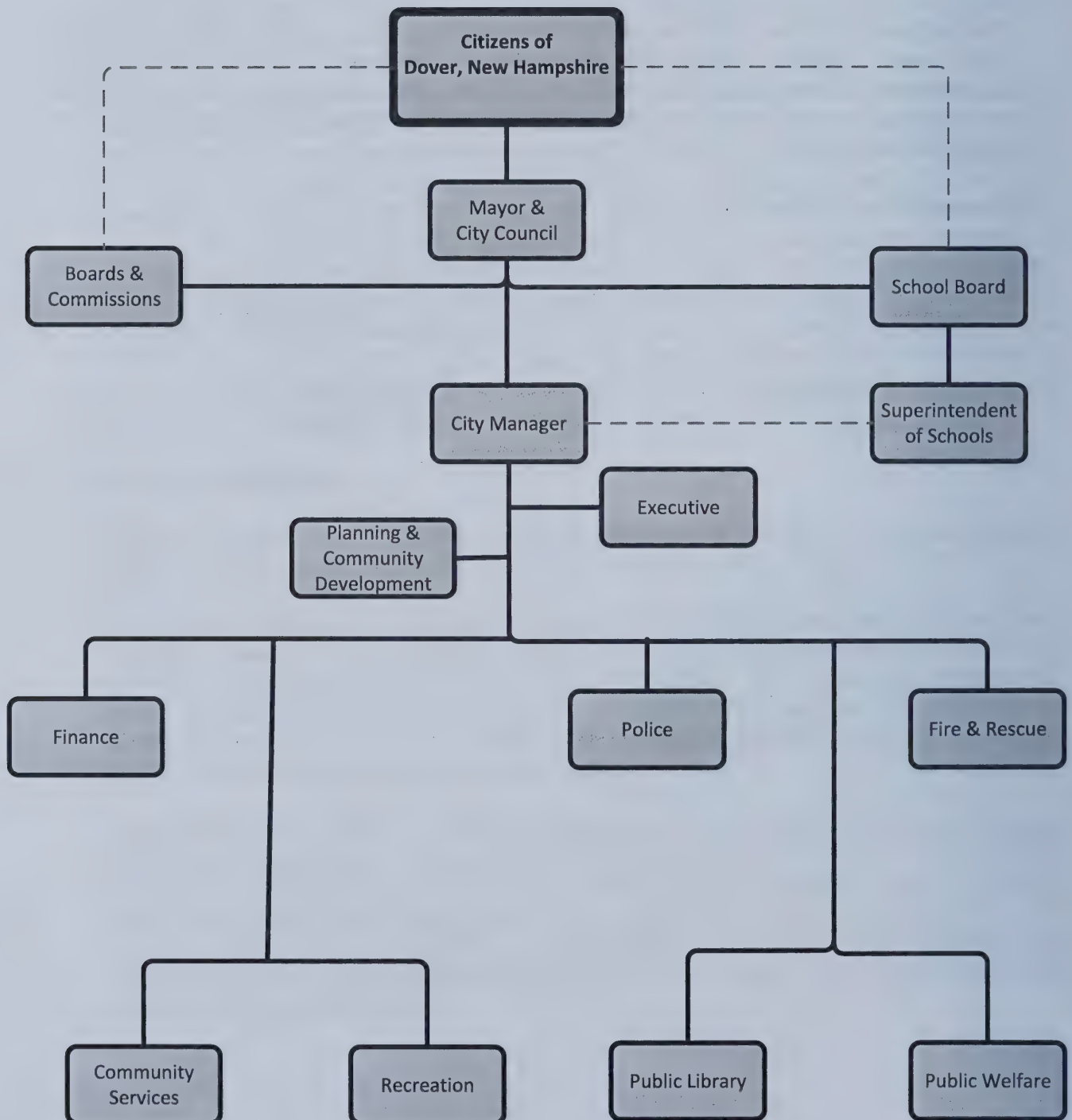
A handwritten signature in dark ink, appearing to read "Daniel R. Lynch", written in a cursive style.

Daniel R. Lynch
Finance Director



City of Dover, NH

Organizational Staffing Chart





City of Dover

New Hampshire

FISCAL YEAR 2018

City Council Members

Mayor: Karen Weston

Ward 1: Michelle Muffett-Lipinski

Ward 2: Dennis Ciotti

Ward 3: Deborah Thibodeaux

Ward 4: Marcia Gasses

Ward 5: Dennis Shanahan

Ward 6: Matthew Keane

At Large: Robert Carrier

At Large: Lindsey Williams

City Manager

J. Michael Joyal, Jr.

Departments

Finance

Planning

Police

Fire and Rescue

Community Services

Public Library

Recreation

Public Welfare

Daniel R. Lynch

Christopher G. Parker

William M. Breault

Eric Hagman

John Storer

Cathy Beaudoin

Gary Bannon

Lena C. Nichols

School Board

Ward 1: Keith Holt, Vice Chair

Ward 2: Andrew Wallace

Ward 3: Carolyn Mebert

Ward 4: Zachary Koehler

Ward 5: Matthew Lahr

Ward 6: Amanda Russell, Chairperson

At Large: Kathleen Morrison, Secretary

Student Liaison: Noah Schwartz

Superintendent of Schools

Dr. William R. Harbron



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Dover
New Hampshire**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditors' Report

To the Mayor and City Council
City of Dover, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Mayor and City Council
City of Dover, New Hampshire

Change in Accounting Principle

As discussed in Notes 1, 16 and 25 to the financial statements, City of Dover, New Hampshire adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 32, and the OPEB and Pension Required Supplementary Information on pages 91 through 95, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dover, New Hampshire's financial statements. The introductory section on pages 1 - 12, supplementary statements and schedules on pages 105 – 154, and statistical tables on pages 157 - 182, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 16, 2019, on our consideration of City of Dover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Dover's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dover's internal control over financial reporting and compliance.

Wipfli LLP

South Portland, Maine
January 16, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dover, we offer readers this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2018. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Dover's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation.

The business-type activities include water and sewer utilities, and Dover Business and Industrial Development Authority (DBIDA) activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with adopted budgets.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water and sewer utilities, and DBIDA operations. The operations of the arena were previously accounted for as an enterprise fund. In FY 2009 the City dissolved the Arena Fund into the General Fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Internal service funds are used to account for central data processing, fleet management services, and workers compensation administration and claims, provided to other departments on the cost reimbursement basis. The City uses an OPEB internal service fund to centrally account for the pay-as-you go retiree's insurance costs paid by other departments in the city.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities, and DBIDA operations, all of which are considered to be major funds. The operations of the arena were previously reported as a propriety fund. Fiscal Year 2018 represents the ninth year since the Arena Fund was dissolved into the General Fund. The Arena cumulative operating results, inclusive of related debt obligations, were revenues in excess of expenditures of \$27,516 during this nine-year period.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by the *Governmental Accounting Standards Board*.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$106,923,200 (i.e., net position), an increase of \$17,947,088 in comparison to the prior year, as restated.
- As of the close of the current fiscal year, total assets of governmental activities exceeded liabilities by \$36,305,125 (i.e., net position), an increase of \$13,655,653 in comparison to the prior year, as restated.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$70,618,075, an increase of \$4,291,435 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$44,143,080, a decrease of \$30,230,859 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$21,211,552, an increase of \$1,975,166 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$176,173,484, an increase of \$1,917,705 in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, change in net position may serve over time as a useful indicator of a government's financial condition. At the close of the most recent fiscal year, total net position was \$106,923,200, an increase of \$17,947,088 from the prior year, as restated.

Financial Position. The following is a summary of condensed government-wide financial data of net position for the current and the prior fiscal year.

NET POSITION

All amounts are presented in thousands

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and Other Assets	\$ 69,673	\$ 101,610	\$ 20,734	\$ 17,789	\$ 90,407	\$ 119,399
Capital Assets	262,593	211,999	94,389	88,366	356,982	300,365
Total Assets	\$ 332,266	\$ 313,609	\$ 115,123	\$ 106,155	\$ 447,389	\$ 419,764
Deferred Outflows of Resources	\$ 23,520	\$ 28,361	\$ 1,705	\$ 1,328	\$ 25,225	\$ 29,689
Liabilities:						
Long-term Liabilities	\$ 283,888	\$ 283,639	\$ 33,792	\$ 34,595	\$ 317,680	\$ 318,234
Other Liabilities	22,440	23,740	11,523	5,713	33,963	29,453
Total Liabilities	\$ 306,328	\$ 307,379	\$ 45,315	\$ 40,308	\$ 351,643	\$ 347,687
Deferred Inflows of Resources	\$ 13,153	\$ 11,942	\$ 895	\$ 848	\$ 14,048	\$ 12,790
Net Position:						
Net Investment in Capital Assets	\$ 131,591	\$ 114,917	\$ 56,911	\$ 56,569	\$ 188,502	\$ 171,486
Restricted	4,837	4,690	15,081	16,676	19,918	21,367
Unrestricted (Deficit)	(100,123)	(96,958)	(1,374)	(6,919)	(101,497)	(103,877)
Total Net Position	\$ 36,305	\$ 22,649	\$ 70,618	\$ 66,326	\$ 106,923	\$ 88,976

By far, the largest portion of net position, \$188,501,708, reflects the City's investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less depreciation and any related debt net of cash held that is used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$19,918,261 represents resources that are subject to external restrictions on how they may be used. The remaining net balance (deficit) represents unrestricted net position at the end of the fiscal year of \$(101,496,769).

The unrestricted net position balance consists of a deficit of \$100,122,724 for governmental activities and a deficit of \$1,374,045 for business-type activities. The governmental activities net position include the reflection of major liabilities of Bonds and Loans Payable of \$147,387,424, the Tolend Road Landfill mitigation of \$14,660,580, compensated absences of \$3,536,976, OPEB (Other post-employment benefits) obligations of \$43,682,578 as reported in accordance with new Government Accounting Standards Board's Statement 75, and Net pension liability of \$74,471,401, representing the City's estimated portion of the New Hampshire Retirement System's pension liability.

The \$14,660,580 for Tolend Road Landfill mitigation represents the post mitigation maintenance and monitoring costs. This estimated liability increased by \$2,891,783 from the prior year. The post mitigation maintenance and monitoring costs represent an increase based upon estimates derived from actual costs incurred during the prior three fiscal year period of FY2018 through FY2016. The maintenance and monitoring costs of \$14,660,580 (30-year estimated cost) are expected to be financed within the annual operating budget, as needed.

The \$3,536,976 for compensated absences represents the accrued employee leave benefits, payable as taken or at termination. This is an increase of \$19,295 from the prior year. The City and School has funded \$104,167 of the liability.

The \$43,682,578 OPEB liability represents the portion of the liability accrued to the governmental funds. This liability is based upon implementation of Governmental Accounting Standards Board (GASB) Statement No. 75. The purpose of the statement is to reflect the liability of health care or other post employment benefits provided to separated or retired employees. In accordance with GASB Statement No. 75 the liability reflected in the financial statements is the actuarial determined total liability. The OPEB liability reported for the governmental funds reflects \$36.3 million liability for City provided retiree health care costs and \$7.3 million liability for New Hampshire Retirement System provided medical insurance subsidies provided to eligible City retirees. City employees hired before specific dates may receive all or part of their health care benefits paid for by the City. City employees hired after the cut-off date are eligible on a self pay basis only but impact the premiums of the health plans of all City employees. School employees are self pay basis only but impact the premiums of the health plans of all School employees. The table below shows the number of eligible individuals involved in the calculation for both the City and School and the average total liability.

Group	Eligible Employees and Retirees	Average Total Liability per Person
City	367	\$ 117,164
School	373	1,832
Combined	<u>740</u>	<u>\$ 118,996</u>

In FY2014 the City established an irrevocable OPEB trust to pre-fund the City's actuarial determined liability. The City transferred an amount equal to 30% of the actuarial determined OPEB Actuarially Determined Contribution (ADC) to the OPEB Trust during FY2018. As of June 30, 2018, the City has \$6,919,804 in assets in the OPEB Trust. The City plans to contribute \$1,475,096, representing 30% of the ADC, to the OPEB Trust in FY2019. The School's liability has not been pre-funded.

Please refer to the Financial Statement footnote 16 and Required Supplemental Information for more on the OPEB liability.

Financial Results The following is a summary of condensed government-wide financial data of changes in net position for the current fiscal and prior fiscal years.

CHANGE IN NET POSITION

All amounts are presented in thousands

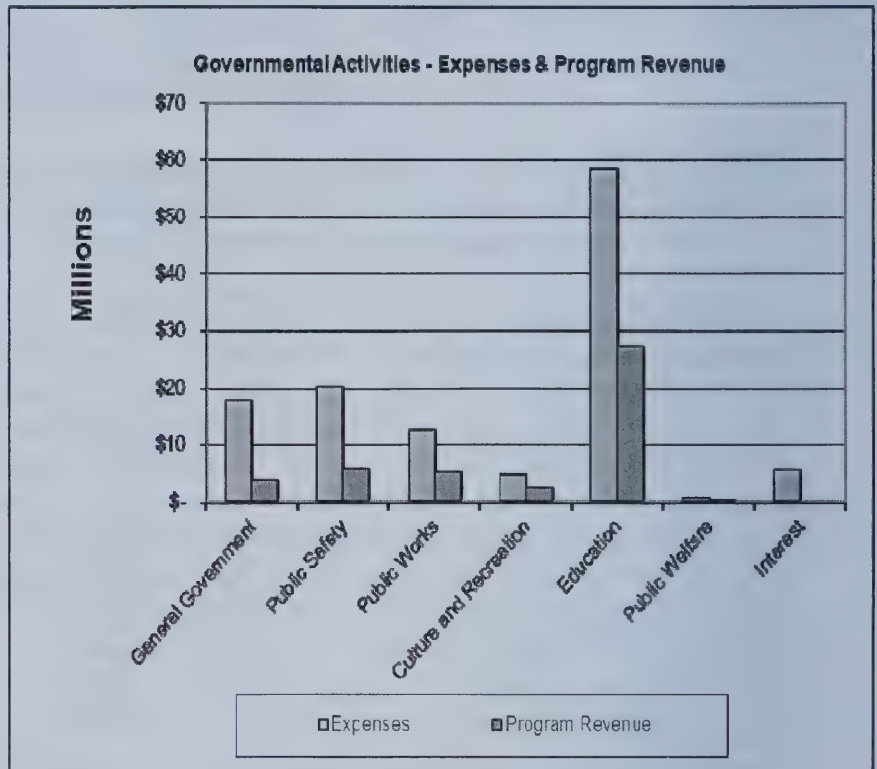
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 16,440	\$ 15,324	\$ 12,723	\$ 11,897	\$ 29,163	\$ 27,221
Operating grants and contributions	27,195	21,512	-	-	27,195	21,512
Capital grants and contributions	1,076	989	1,727	643	2,803	1,632
General revenues:						
Property taxes	81,746	77,341	-	-	81,746	77,341
Motor vehicle registration	5,498	5,290	-	-	5,498	5,290
Penalties and interest on taxes	360	368	-	-	360	368
Investment income (loss)	833	998	139	35	972	1,033
Other	104	69	-	-	104	69
Total Revenues	133,252	121,891	14,589	12,575	147,841	134,466
Expenses:						
General government	17,757	17,207	-	-	17,757	17,207
Public safety	20,262	19,556	-	-	20,262	19,556
Public works	12,467	10,504	-	-	12,467	10,504
Culture and recreation	4,682	3,573	-	-	4,682	3,573
Education	58,318	56,830	-	-	58,318	56,830
Public Welfare	636	706	-	-	636	706
Interest on long-term debt	5,579	6,146	801	842	6,380	6,988
Water operations (1)	-	-	3,498	3,210	3,498	3,210
Sewer operations (1)	-	-	5,702	4,216	5,702	4,216
DBIDA operations	-	-	192	164	192	164
Total Expenses	119,701	114,522	10,193	8,432	129,894	122,954
Change in Net Position before Transfers	13,551	7,369	4,396	4,143	17,947	11,512
Transfers in (out)	105	123	(105)	(123)	-	-
Change in Net Position	13,656	7,492	4,291	4,020	17,947	11,512
Net Position - beginning of year, as restated	22,649	15,157	66,327	62,307	88,976	77,464
Net Position - end of year	\$ 36,305	\$ 22,649	\$ 70,618	\$ 66,327	\$ 106,923	\$ 88,976

(1) Excludes interest on long-term debt reflected separately.

Governmental activities

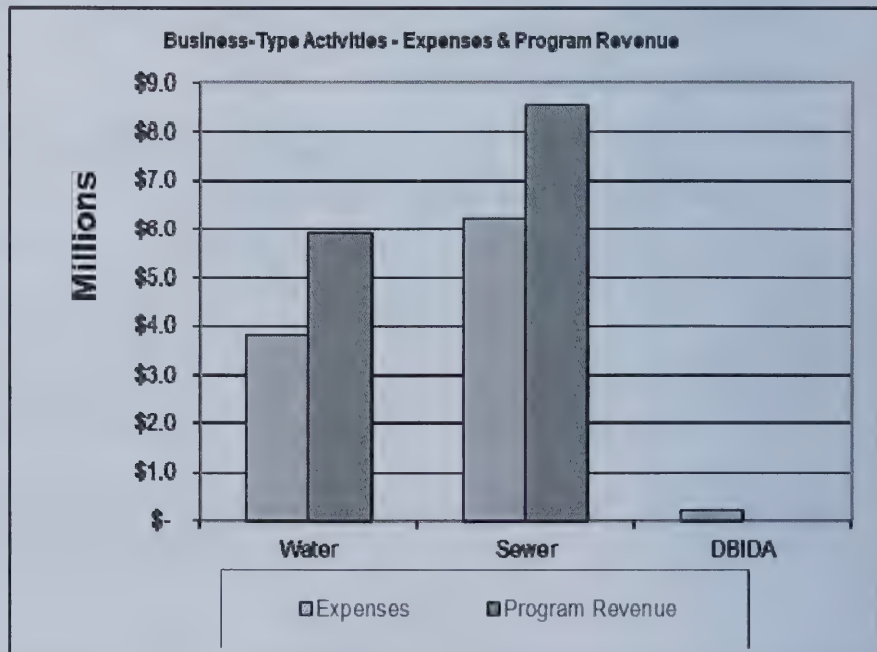
Governmental activities for the year resulted in an increase in net position of \$13,655,653. Governmental activities realized the following significant transactions:

- General Fund excess of revenues over expenditures of \$2,673,567.
- Acquisition of capital assets of \$55.9 million.
- Expenses in excess of revenues of \$32.4 million for the CIP FY 16 fund and \$256,753 for the non-major governmental funds.
- An increase in the OPEB Liability of \$8,138,402.
- A decrease in the net pension liability of \$5,430,730.
- Increase in the landfill post-closure liability of \$2,891,783.

**Business-Type Activities**

Business-type activities for the year resulted in an increase in net position of \$4,291,435 or 6.5%. Key elements of this change are as follows:

- The Water Fund increased net position by \$2,103,381 or 8.0%. This consists mainly of an operating income of \$1,668,192.
- The Sewer Fund had an increase in net position of \$2,201,068 or 5.7%. This consists mainly of an operating income of \$1,926,519.



D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

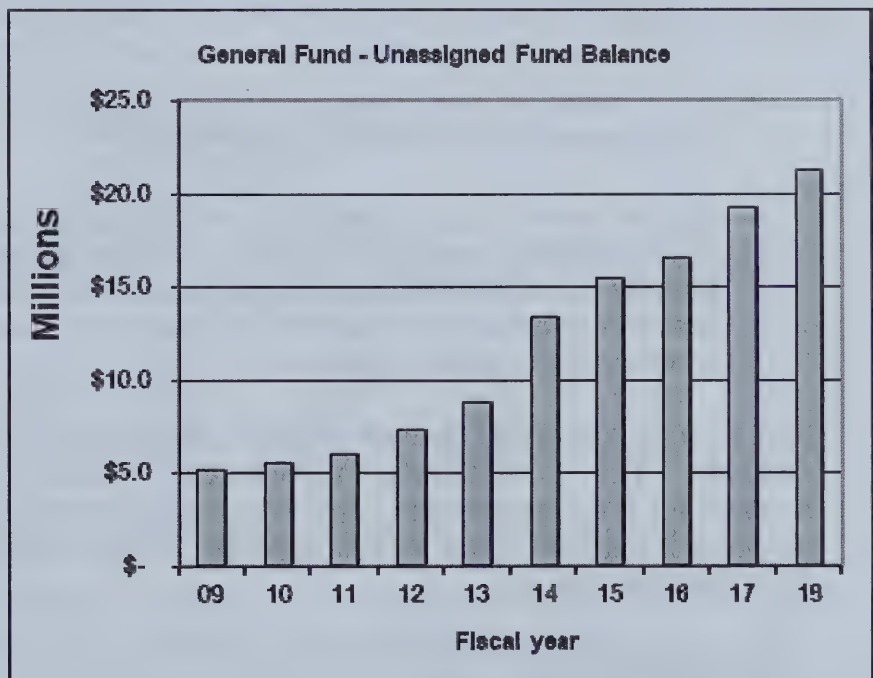
As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources.

Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$44,143,080, a decrease of \$30,230,859 in comparison with the prior year. The General Fund change consists of an increase in the unassigned fund balance of \$1,975,166 and a decrease in non-spendable, committed and assigned balances of \$513,242.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$21,211,552, while total fund balance at end of current fiscal year was \$24,828,492. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 18.39 percent of total general fund expenditures, while total fund balance represents 21.53 percent of that same amount.



The unassigned fund balance of the general fund increased by \$1,975,166, or 10.27%, during the current fiscal year. Key factors in this change are as follows:

- A net increase to fund balance, on a budgetary basis, of \$2,673,567 from excess of revenues and other sources over expenditures and other uses, consisting of \$361,057 of revenues above budget estimates (exclusive of Other Financing Sources) and \$2,325,540 of expenditures under budget estimates (exclusive of Other Financing Uses). Revenue items in excess of budget estimates consist mainly of \$193,642 in taxes and tax interest, \$298,052 for motor vehicle permits, and \$85,258 for building permits. Revenue shortfalls consist mainly of \$95,782 in sales and service charges, \$26,152 in intergovernmental reimbursements, \$86,832 in intergovernmental reimbursements for the school district and \$256,656 in tuition revenue for the school district. Unencumbered appropriations consisted mainly of \$502,104 for General Government, \$168,114 for Public Safety, \$538,732 for Public Works, \$227,635 for Culture and Recreation, \$63,152 for Public Welfare and \$91,938 for Debt Service. The School Department had unencumbered appropriations of \$733,865.
- A decrease to fund balance of \$445 for an increase in deferred property tax revenue.
- An increase to fund balance of \$119,877 for a decrease in the reserve for advances to the McConnell Center Fund.
- An increase to fund balance of \$259,216 for a decrease of carryover appropriations reserved for future years capital outlay. In accordance with City Charter, capital outlay appropriations shall continue in force for three years or until the purpose for which the appropriation was made has been completed, whichever time period is shorter.

In FY 2015 the City Council adopted the City's FY2016 Capital Improvements Program. The FY16 Capital Improvement Projects Fund that was established to account for the Governmental Activities related projects, which includes a new high school and regional career technical center, is reported as a major fund in the FY2018 Financial Statements.

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to a deficit of \$1,374,045. This amount consists of the Water Fund with a deficit of \$2,575,583, the Sewer Fund with unrestricted net assets of \$103,866, and the Dover Business and Industrial Development Fund (DBIDA) with a balance of \$1,097,672.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget resulted in an overall increase in appropriations of \$9,522,663. This consists of City Council adopted appropriations of \$9,835,093 for the November 2017 advanced refunding bonds transaction, \$167,107 for abatements, and \$9,537 decrease for intergovernmental payment to the county, and \$470,000 decrease for transfer to capital reserve fund for the amount received by the City from the State of New Hampshire for highway grant funds.

Unspent General Fund appropriations were due to several factors including consistent monitoring and managing of expenditures and a year-end level of under-expenditures (including transfers) of approximately 1.9%.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Capital assets for governmental and business-type activities at year-end amounted to \$356,981,626 (net of accumulated depreciation), an increase of approximately \$56,616,424 from the prior year. This investment in capital assets includes land, buildings and system improvements, and machinery and equipment. The following yearly comparison shows net capital assets by category:

Capital Assets (000s) (net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 14,756	\$ 14,806	\$ 1,949	\$ 1,785	\$ 16,705	\$ 16,591
Buildings and improvements	89,685	91,306	13,675	14,189	\$ 103,360	105,495
Machinery and equipment	8,227	7,248	3,939	4,387	\$ 12,166	11,635
Infrastructure	39,485	39,149	44,978	44,970	\$ 84,463	84,119
Construction in Progress	110,439	59,490	29,848	23,035	\$ 140,287	82,525
Total Assets	\$ 262,592	\$ 211,999	\$ 94,389	\$ 88,366	\$ 356,981	\$ 300,365

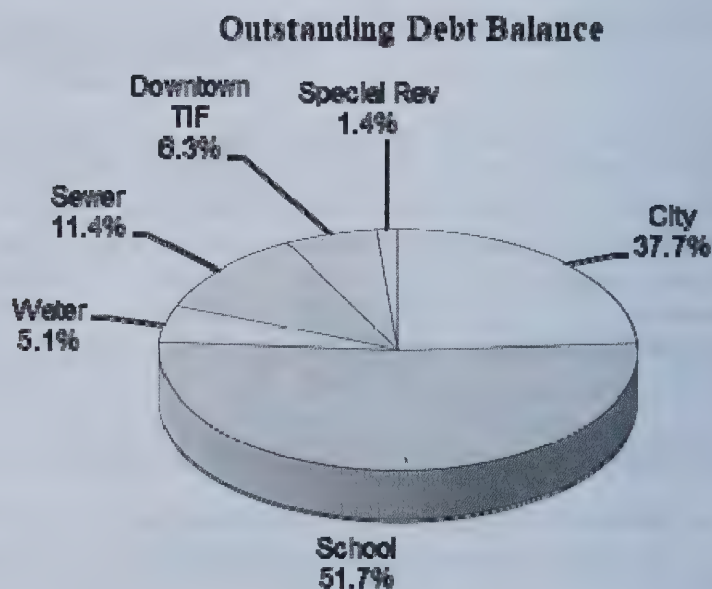
Major capital asset events during the current fiscal year included the following:

- Additions to Building and Improvements for governmental activities for the year included the completion of the City Hall Customer Service Center.
- Purchases of Machinery and Equipment included Police department vehicle replacements, replacement of a Fire suppression apparatus, heavy equipment for snow removal and construction equipment for the Public Works department, the purchase of a new emergency shelter generator for the McConnell Center.
- The governmental activities infrastructure change includes additions for the reconstruction and repairs to Central Avenue Bridge, a roundabout on Silver Street at the Spaulding Turnpike north-bound on ramp, general park improvements, and general street, sidewalk and drainage improvements.

- The governmental activities construction in progress relates mainly to Public Works projects for the Tolend Road Landfill post-closure and mitigation project, the Cocheco Dredge Cell Project, bridge replacement on Whittier Street. Street improvement projects in progress include Richardson Drive, Keating and Birchwood Streets, and Broadway Avenue. The Dover High School and Regional Career Technical Center is a major project that is construction in progress.
- Increases to the Business-type activities infrastructure category include the Water Systems Facilities upgrades Phase I, Water main completion on Silver Street, wellhead protection for the public water supply, inflow and infiltration and mitigation of storm-water runoff.
- The additions to the Business-type activities Construction in Progress Improvements are for Water and Sewer Mains located on or near the Spaulding Turnpike, Richardson Drive, Keating and Birchwood Streets. Improvements for the Water System Facilities upgrades Phase II, and Pudding Hill Aquifer improvements.

Additional information on capital assets can be found in Note 9 of the Financial Statements.

Long-term debt. At the end of fiscal year 2018, total long-term debt outstanding for the City was \$176,173,484, a net increase of \$1,917,705 over the previous fiscal year end. All the long-term debt was backed by the full faith and credit of the City.



Long-term Debt (000s)

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 147,160	\$ 144,571	\$ 15,463	\$ 15,337	\$ 162,623	\$ 159,908
Other Long Term Debt	227	319	13,323	14,029	13,550	14,348
Total Long-term Debt	\$ 147,387	\$ 144,890	\$ 28,786	\$ 29,366	\$ 176,173	\$ 174,256

In November 2017 the City issued general obligation bonds at a Par amount of \$10,525,000 and received \$920,000 Premium after payment of \$35,783 in underwriting fees. The bonds finance \$9,767,000 related to Governmental activities and \$1,678,000 related to Business-type activities. Governmental activities include projects such as public safety communication system upgrades, reconstruction of Whittier Street Bridge, seven (7) street reconstruction projects, and building improvements at City hall, McConnell Center, and Ice Arena. Business-type activities include projects such as Water main replacement, Sewer main replacement at the Spaulding Turnpike, Leighton Way Pump Station and Stonewall Drive Pump Station. The City bonds were rated AA+ by Standard and Poor's Rating Group. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. Competitive bids were solicited, and the City received 5 bids and Robert W. Baird & Co. based in Milwaukee, Wisconsin was awarded the bid at a True Interest Cost (TIC) of 2.504 percent. The bonds were dated November 30, 2017 and mature December 15, 2037.

In November 2017, the City defeased a November 2008 general obligation bond and an April 2010 general obligation bond. The proceeds from the new issuance of general obligation bonds were used to purchase U.S. governmental securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured. The November 2008 general obligation bond matured in December 2028 and the April 2010 general obligation bond matured in April 2030. As of June 30, 2018, the outstanding defeased debt obligations for both the November 2008 and April 2010 general obligation bonds is \$4,150,000 and \$5,150,000 respectively.

Additional information on long-term debt can be found in Note 12 of the Financial Statements.

G. NEXT YEAR'S BUDGETS AND RATES

The budget, tax levies and tax rates of the General Fund for the subsequent fiscal year have been formalized. The following table reflects the budget amounts, at the time of tax rate setting, for each year for the General Fund.

General Fund Budget				
	FY18	FY19	Increase (Decrease)	% Change
City	44,606,628	46,046,342	1,439,714	3.2%
School	58,092,002	60,484,843	2,392,841	4.1%
County	8,713,747	8,997,362	283,615	3.3%
Total Budget	111,412,377	115,528,547	4,116,170	3.7%

The following table reflects the property tax levy amounts for each year.

Property Tax Levies				
	FY18	FY19	Increase (Decrease)	% Change
City	30,795,407	31,699,832	904,425	2.9%
School - Local	34,354,636	37,509,751	3,155,115	9.2%
School - State	6,894,236	6,945,209	50,973	0.7%
Total School	41,248,872	44,454,960	3,206,088	7.8%
County	8,713,747	8,997,362	283,615	3.3%
Total Tax Levy	80,758,026	85,152,154	4,394,128	5.4%

The following table reflects the property tax rates for each year. The tax rate is stated per \$1,000 of assessed value.

Property Tax Rates				
	FY18	FY19	Increase (Decrease)	% Change
City	9.96	9.37	(0.59)	-5.9%
School - Local	10.91	10.88	(0.03)	-0.3%
School - State	2.23	2.06	(0.17)	-7.6%
Total School	13.14	12.94	(0.20)	-1.5%
County	2.77	2.61	(0.16)	-5.8%
Total Tax Rate	25.87	24.92	(0.95)	-3.7%

The budget and user fees of the utility funds for the subsequent fiscal year have been formalized. The following table reflects the original adopted budget amounts for each year for the Water and Sewer Funds.

Utility Funds	FY18	FY19	Increase (Decrease)	% Change
Water Fund	5,303,833	5,647,652	343,819	6.5%
Sewer Fund	7,764,561	7,849,990	85,429	1.1%
Total Utility Funds	13,068,394	13,497,642	429,248	3.3%

The following table reflects the utility rates per one hundred cubic feet (HCF) of water consumption for each year. (1 HCF = 748 gallons)

Utility Rates	FY18	FY19	Increase (Decrease)	% Change
Water Fund	4.98	5.18	0.20	4.0%
Sewer Fund	8.52	8.65	0.13	1.5%
Combined Rates	13.50	13.83	0.33	2.4%

Discussions of other financial and economic factors are included in the Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director, City of Dover
Municipal Building
288 Central Avenue
Dover, New Hampshire 03820

The City of Dover's web site contains additional financial information at:

www.dover.nh.gov

(This page intentionally left blank.)

Statement of Net Position

June 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 53,346,843	\$ 13,169,642	\$ 66,516,485
Investments	11,193,167		11,193,167
Receivables, net of allowance for uncollectibles:			
Property taxes	3,304,858		3,304,858
User fees		3,201,718	3,201,718
Departmental and other	1,656,177		1,656,177
Intergovernmental	1,037,603	89,626	1,127,229
Internal balances	(1,541,726)	1,541,726	
Inventory	187,139	594,664	781,803
Other assets	297,693		297,693
Total current assets	<u>69,481,754</u>	<u>18,597,376</u>	<u>88,079,130</u>
Noncurrent:			
Intergovernmental receivables, net		880,034	880,034
Loans receivable, net	191,405		191,405
Investment in land		1,256,731	1,256,731
Capital assets:			
Land and construction in progress	125,194,593	31,796,965	156,991,558
Capital assets, net of accumulated depreciation	<u>137,397,958</u>	<u>62,592,110</u>	<u>199,990,068</u>
Total non-current assets	<u>262,783,956</u>	<u>96,525,840</u>	<u>359,309,796</u>
Total Assets	<u>332,265,710</u>	<u>115,123,216</u>	<u>447,388,926</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>23,520,140</u>	<u>1,704,760</u>	<u>25,224,900</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Liabilities			
Current:			
Accounts payable	4,173,117	1,002,475	5,175,592
Accrued liabilities	6,045,033	124,153	6,169,186
Retainage payable	3,087,018	320,391	3,407,409
Due to fiduciary funds	9,134,810		9,134,810
Unearned revenue		10,075,425	10,075,425
Current portion of long-term liabilities:			
Claims liability	39,000		39,000
Bonds and loans payable	7,528,777	2,606,434	10,135,211
Compensated absences	133,675	17,000	150,675
Total current liabilities	<u>30,141,430</u>	<u>14,145,878</u>	<u>44,287,308</u>
Noncurrent:			
Claims liability, net of current portion	110,000		110,000
Bonds and loans payable, net of current portion	139,858,647	26,179,626	166,038,273
Compensated absences, net of current portion	3,403,301	150,319	3,553,620
Net pension liability	74,471,401	2,112,434	76,583,835
Other post-employment benefits liability	43,682,578	2,726,336	46,408,914
Liability for hazardous waste-site cleanup	14,660,580		14,660,580
Total non-current liabilities	<u>276,186,507</u>	<u>31,168,715</u>	<u>307,355,222</u>
Total Liabilities	<u>306,327,937</u>	<u>45,314,593</u>	<u>351,642,530</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,152,788</u>	<u>895,308</u>	<u>14,048,096</u>
Net Position			
Net investment in capital assets	131,590,761	56,910,947	188,501,708
Restricted for:			
Nonexpendable trust principal	2,418,380		2,418,380
Expendable trust principal	208,555		208,555
City and school department grants and projects	2,210,153		2,210,153
Restricted for capital outlay		15,081,173	15,081,173
Unrestricted (deficit)	(100,122,724)	(1,374,045)	(101,496,769)
Total Net Position	<u>\$ 36,305,125</u>	<u>\$ 70,618,075</u>	<u>\$ 106,923,200</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Statement of Activities

For the Year Ended June 30, 2018

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
Governmental Activities:				
General government	\$ 17,757,186	\$ 2,941,527	\$ 956,543	
Public safety	20,262,214	4,598,970	1,299,353	
Public works	12,467,297	1,455,075	2,771,289	\$ 1,008,802
Culture and recreation	4,681,480	2,451,965	54,732	
Education	58,318,004	4,984,554	22,106,637	
Public welfare	636,126	7,514	6,983	67,241
Interest	5,579,194			
Total Governmental Activities	<u>119,701,501</u>	<u>16,439,605</u>	<u>27,195,537</u>	<u>1,076,043</u>
Business-Type Activities:				
Water services	3,792,266	5,141,695		761,172
Sewer services	6,208,676	7,582,041		965,931
DBIDA services	192,124			
Total Business-Type Activities	<u>10,193,066</u>	<u>12,723,736</u>	<u>-</u>	<u>1,727,103</u>
Total	<u>\$ 129,894,567</u>	<u>\$ 29,163,341</u>	<u>\$ 27,195,537</u>	<u>\$ 2,803,146</u>

General Revenues:

Property tax

Motor vehicle registration tax

Penalties and interest

Unrestricted investment earnings

Other revenue

Transfers in (out)

Total general revenues

Change in Net Position

Net Position:

Beginning of year - restated

End of year

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business- Type Activities	Total
\$ (13,859,116)		\$ (13,859,116)
(14,363,891)		(14,363,891)
(7,232,131)		(7,232,131)
(2,174,783)		(2,174,783)
(31,226,813)		(31,226,813)
(554,388)		(554,388)
(5,579,194)		(5,579,194)
<u>(74,990,316)</u>		<u>(74,990,316)</u>
	\$ 2,110,601	2,110,601
	2,339,296	2,339,296
	<u>(192,124)</u>	<u>(192,124)</u>
-	4,257,773	4,257,773
<u>(74,990,316)</u>	<u>4,257,773</u>	<u>(70,732,543)</u>
81,745,617		81,745,617
5,498,053		5,498,053
359,831		359,831
832,877	138,850	971,727
104,403		104,403
105,188	<u>(105,188)</u>	
<u>88,645,969</u>	<u>33,662</u>	<u>88,679,631</u>
13,655,653	4,291,435	17,947,088
<u>22,649,472</u>	<u>66,326,640</u>	<u>88,976,112</u>
<u>\$ 36,305,125</u>	<u>\$ 70,618,075</u>	<u>\$ 106,923,200</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Governmental Funds**Balance Sheet**

June 30, 2018

	General	CIP FY 16	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and short-term investments	\$ 45,974,933		\$ 7,371,910	\$ 53,346,843
Investments			11,193,167	11,193,167
Receivables, net of allowance for uncollectibles:				
Taxes	3,304,858			3,304,858
Departmental and other	1,151,522		468,247	1,619,769
Intergovernmental	2,812	\$ 417,300	621,731	1,041,843
Loans			191,405	191,405
Due from other funds		13,986,203	9,743,221	23,729,424
Advances to other funds	427,299			427,299
Inventory	2,106		80,761	82,867
Other assets	247,620		30,000	277,620
Total Assets	<u>\$ 51,111,150</u>	<u>\$ 14,403,503</u>	<u>\$ 29,700,442</u>	<u>\$ 95,215,095</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	661,959	2,160,420	1,301,594	4,123,973
Accrued liabilities	5,429,369	1,376	133,452	5,564,197
Retainage payable	41,567	2,803,848	241,600	3,087,015
Unearned revenues			64,779	64,779
Due to other funds	17,911,750		17,127,718	35,039,468
Advances from other fund			427,299	427,299
Compensated absences	81,281			81,281
Total Liabilities	<u>24,125,926</u>	<u>4,965,644</u>	<u>19,296,442</u>	<u>48,388,012</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	2,156,732			2,156,732
Unavailable revenue - long-term receivables			527,271	527,271
Total Deferred Inflows of Resources	<u>2,156,732</u>		<u>527,271</u>	<u>2,684,003</u>
Fund Balances:				
Nonspendable	2,106		2,499,141	2,501,247
Restricted		9,437,859	4,899,963	14,337,822
Committed	532,782		10,064,430	10,597,212
Assigned	3,082,052			3,082,052
Unassigned	21,211,552		(7,586,805)	13,624,747
Total Fund Balances	<u>24,828,492</u>	<u>9,437,859</u>	<u>9,876,729</u>	<u>44,143,080</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 51,111,150</u>	<u>\$ 14,403,503</u>	<u>\$ 29,700,442</u>	<u>\$ 95,215,095</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position

June 30, 2018

Total Governmental Fund Balances	\$ 44,143,080
<ul style="list-style-type: none"> Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 	262,592,551
<ul style="list-style-type: none"> Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds. 	2,748,782
<ul style="list-style-type: none"> Deferred outflows/inflows of resources represent a consumption/acquisition of net position that applies to a future period, therefore will not be recognized as an expenditure or revenue until then, and therefore, are not reported in the funds. 	10,367,350
<ul style="list-style-type: none"> Internal service funds are used by management to account for Dover net, central stores, fleet maintenance, workers' compensation, and OPEB activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. 	533,933
<ul style="list-style-type: none"> In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 	(475,287)
<ul style="list-style-type: none"> Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds: 	
Bonds payable	(138,531,525)
Bond premium	(8,855,899)
Compensated absences	(3,403,301)
Liability for hazardous waste-site cleanup	(14,660,580)
Other Post-Employment Benefits (OPEB) liability	(43,682,578)
Net pension liability	<u>(74,471,401)</u>
Net Position of Governmental Activities	\$ <u>36,305,125</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Governmental Funds**Statement of Revenues, Expenditures and Changes
in Fund Balances****For the Year Ended June 30, 2018**

	General	CIP FY 16	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 81,532,030		\$ 634,792	\$ 82,166,822
Licenses and permits	6,608,048		971,723	7,579,771
Intergovernmental	2,911,234	\$ 7,223,293	7,193,288	17,327,815
Current services	3,529,442		4,695,414	8,224,856
Education	15,114,599			15,114,599
Miscellaneous	704,510		1,686,275	2,390,785
Total Revenues	<u>110,399,863</u>	<u>7,223,293</u>	<u>15,181,492</u>	<u>132,804,648</u>
Expenditures:				
Current:				
General government	4,880,777		1,825,437	6,706,214
Public safety	17,475,339		4,657,735	22,133,074
Public works	6,980,110	1,257,469	8,378,571	16,616,150
Culture and recreation	3,457,970		1,410,196	4,868,166
Education	50,635,059	39,361,813	7,750,175	97,747,047
Public welfare	594,909		311,333	906,242
Intergovernmental - County tax	8,713,747			8,713,747
Debt service	11,522,624		1,121,921	12,644,545
Total Expenditures	<u>104,260,535</u>	<u>40,619,282</u>	<u>25,455,368</u>	<u>170,335,185</u>
Revenues over (under) expenditures	<u>6,139,328</u>	<u>(33,395,989)</u>	<u>(10,273,876)</u>	<u>(37,530,537)</u>
Other Financing Sources (Uses):				
Bond issuance		390,798	8,590,202	8,981,000
Proceeds from refunding	6,701,410			6,701,410
Premium on bonds sold	1,249,007	34,202	751,798	2,035,007
Payment to refunding bond escrow agent	(7,950,417)			(7,950,417)
Transfers in	1,912,066	508,475	675,123	3,095,664
Transfers out	(5,562,986)			(5,562,986)
Total Other Financing Sources (Uses)	<u>(3,650,920)</u>	<u>933,475</u>	<u>10,017,123</u>	<u>7,299,678</u>
Net change in fund balances	2,488,408	(32,462,514)	(256,753)	(30,230,859)
Fund Balances, at Beginning of Year	<u>22,340,084</u>	<u>41,900,373</u>	<u>10,133,482</u>	<u>74,373,939</u>
Fund Balances, at End of Year	<u>\$ 24,828,492</u>	<u>\$ 9,437,859</u>	<u>\$ 9,876,729</u>	<u>\$ 44,143,080</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2018

Net Changes in Fund Balances - Total Governmental Funds	\$ (30,230,859)
<ul style="list-style-type: none"> Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <ul style="list-style-type: none"> Capital outlay purchases 58,245,982 Depreciation (7,652,246) Deferred outflows/inflows of resources represents a consumption/ acquisition of net position that applies to a future period, therefore will not be recognized as an expenditure until then. (5,097,310) Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in unearned revenue. (61,374) The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: <ul style="list-style-type: none"> Repayments of debt 7,942,543 Bond proceeds (8,981,000) Proceeds from capital lease (47,333) Bond premium amortization (1,411,830) In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due, this amount reflects the change in accrued interest. (20,300) Certain expenses reported in the Statement of Activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds: <ul style="list-style-type: none"> Increase in liability for compensated absences (8,645) Increase in OPEB liability (1,311,219) Increase in liability for hazardous waste-site cleanup (2,891,783) Decrease in liability for pension expense 5,430,730 Internal service funds are used by management to account for Dover net, central stores, fleet maintenance, workers' compensation, and OPEB activities. The net activity of internal service funds is reported with Governmental Activities. (249,703) 	
Changes in Net Position of Governmental Activities	\$ 13,655,653

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Statement of Revenues and Other Financing Sources, and Expenditures and Other Financing Uses - Budget and Actual - General Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Sources:				
Taxes	\$ 80,441,320	\$ 81,343,226	\$ 81,532,030	\$ 188,804
Licenses and permits	6,156,724	6,156,724	6,608,048	451,324
Intergovernmental	2,771,063	2,329,263	2,303,111	(26,152)
Current services	3,727,922	3,627,922	3,470,502	(157,420)
Education	15,922,869	15,300,333	15,048,951	(251,382)
Miscellaneous	748,537	698,537	854,420	155,883
Total Revenues	<u>109,768,435</u>	<u>109,456,005</u>	<u>109,817,062</u>	<u>361,057</u>
Other sources	95,000	9,930,093	9,983,770	53,677
Transfers	1,861,372	1,861,372	1,794,665	(66,707)
Total Other Sources	<u>1,956,372</u>	<u>11,791,465</u>	<u>11,778,435</u>	<u>(13,030)</u>
Total Revenues and Other Sources	<u>111,724,807</u>	<u>121,247,470</u>	<u>121,595,497</u>	<u>348,027</u>
Expenditures and Other Uses:				
General Government				
City Council	542,058	571,408	568,173	3,235
Executive	1,039,875	1,039,875	1,014,305	25,570
Finance	1,785,034	1,833,034	1,817,558	15,476
Planning	696,427	691,077	687,793	3,284
Miscellaneous general government	991,492	1,229,803	775,264	454,539
Total General Government	<u>5,054,886</u>	<u>5,365,197</u>	<u>4,863,093</u>	<u>502,104</u>
Public Safety				
Police	8,952,632	8,812,632	8,652,401	160,231
Fire	8,981,979	8,996,979	8,989,096	7,883
Total Public Safety	<u>17,934,611</u>	<u>17,809,611</u>	<u>17,641,497</u>	<u>168,114</u>
Community Services - Public Works	<u>7,148,652</u>	<u>7,801,652</u>	<u>7,262,920</u>	<u>538,732</u>
Culture and Recreation				
Recreation	2,221,921	2,221,921	2,123,600	98,321
Public Library	1,377,030	1,377,030	1,247,716	129,314
Total Culture and Recreation	<u>3,598,951</u>	<u>3,598,951</u>	<u>3,371,316</u>	<u>227,635</u>
Public welfare	<u>856,608</u>	<u>656,608</u>	<u>593,456</u>	<u>63,152</u>
Education	<u>52,113,315</u>	<u>52,113,315</u>	<u>51,379,450</u>	<u>733,865</u>
Debt Service				
Payments to Refunded Bond Escrow		9,763,888	9,763,888	
Principal	6,326,973	6,006,973	5,999,169	7,804
Interest	5,687,590	5,607,590	5,523,456	84,134
Total Debt Service	<u>12,014,563</u>	<u>21,378,451</u>	<u>21,286,513</u>	<u>91,938</u>
Intergovernmental - County tax	<u>8,723,284</u>	<u>8,713,748</u>	<u>8,713,748</u>	
Transfers	<u>4,279,937</u>	<u>3,809,937</u>	<u>3,809,937</u>	
Total Expenditures	<u>111,724,807</u>	<u>121,247,470</u>	<u>118,921,930</u>	<u>2,325,540</u>
Excess of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,673,567</u>	\$ <u>2,673,567</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Proprietary Funds

Statement of Net Position

June 30, 2018

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	DBIDA Fund	Total	Internal Service Funds
ASSETS					
Current:					
Cash and short-term investments	\$ 5,767,621	\$ 7,402,021		\$ 13,169,642	
User fees, net of allowance for uncollectibles					
Billed	481,921	744,632		1,226,553	
Unbilled	845,486	1,129,679		1,975,165	
Departmental and other receivables					\$ 33,598
Intergovernmental receivables		89,626		89,626	
Due from other funds		1,797,968		1,797,968	633,508
Prepaid expenses					20,000
Inventory	488,257	106,407		594,664	104,272
Total current assets	<u>7,583,285</u>	<u>11,270,333</u>		<u>18,853,618</u>	<u>791,378</u>
Noncurrent:					
Investment in land			\$ 1,256,731	1,256,731	
Intergovernmental receivable		880,034		880,034	
Capital assets:					
Land and construction in progress	12,848,620	18,948,345		31,796,965	
Other capital assets, net of accumulated depreciation	29,409,573	33,182,537		62,592,110	
Total noncurrent assets	<u>42,258,193</u>	<u>53,010,916</u>	<u>1,256,731</u>	<u>96,525,840</u>	<u>-</u>
Total Assets	<u>49,841,478</u>	<u>64,281,249</u>	<u>1,256,731</u>	<u>115,379,458</u>	<u>791,378</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>719,783</u>	<u>984,977</u>		<u>1,704,760</u>	
LIABILITIES AND NET POSITION					
Liabilities					
Current:					
Accounts payable	428,582	572,714	1,179	1,002,475	39,909
Accrued liabilities	63,471	57,796	2,886	124,153	16,142
Retainage payable	231,381	89,010		320,391	
Unearned revenue	9,091,542	983,883		10,075,425	
Due to other funds	111,269		144,973	256,242	
Current portion of long-term liabilities:					
Claims liability					39,000
Bonds payable	1,043,341	1,563,093		2,606,434	
Compensated absences	5,000	12,000		17,000	52,394
Total current liabilities	<u>10,974,586</u>	<u>3,278,496</u>	<u>149,038</u>	<u>14,402,120</u>	<u>147,445</u>
Noncurrent:					
Claims liability, net of current portion					110,000
Bonds payable, net of current portion	7,977,623	18,202,003		26,179,626	
Compensated absences	61,608	78,690	10,021	150,319	
Net pension liability	870,702	1,241,732		2,112,434	
Other post-employment benefits liability	1,693,855	1,032,481		2,726,336	
Total noncurrent liabilities	<u>10,603,788</u>	<u>20,554,906</u>	<u>10,021</u>	<u>31,168,715</u>	<u>110,000</u>
Total Liabilities	<u>21,578,374</u>	<u>23,833,402</u>	<u>159,059</u>	<u>45,570,835</u>	<u>257,445</u>
DEFERRED INFLOWS OF RESOURCES	<u>544,738</u>	<u>350,570</u>		<u>895,308</u>	
Net Position					
Net investment in capital assets	24,534,871	32,376,076		56,910,947	
Restricted for capital outlay	6,478,861	8,602,312		15,081,173	231,220
Unrestricted (deficit)	<u>(2,575,583)</u>	<u>103,866</u>	<u>1,097,672</u>	<u>(1,374,045)</u>	<u>302,713</u>
Total Net Position	<u>\$ 28,438,149</u>	<u>\$ 41,082,254</u>	<u>\$ 1,097,672</u>	<u>\$ 70,618,075</u>	<u>\$ 533,933</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Proprietary Funds**Statement of Revenues, Expenses and Changes in Fund Net Position**

For the Year Ended June 30, 2018

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	DBIDA Fund	Total
Operating Revenues:				
Charges for services	\$ 4,796,902	\$ 6,882,150		\$ 11,679,052
Investment fees	266,388	623,268		889,656
Other revenue	78,405	76,623		155,028
Total Operating Revenues	<u>5,141,695</u>	<u>7,582,041</u>		<u>12,723,736</u>
Operating Expenses:				
Personal services	1,107,278	1,596,770	\$ 183,066	2,887,114
Purchased services	277,664	820,503	7,110	1,105,277
Supplies	886,444	897,593	1,948	1,785,985
Minor equipment				89,985
Depreciation	952,405	2,021,415		2,973,820
Other expenses	229,712	319,241		548,953
Total Operating Expenses	<u>3,453,503</u>	<u>5,655,522</u>	<u>192,124</u>	<u>9,301,149</u>
Operating Income (Loss)	<u>1,688,192</u>	<u>1,926,519</u>	<u>(192,124)</u>	<u>3,422,587</u>
Nonoperating Revenues (Expenses):				
Investment income	67,201	71,649		138,850
Interest expense	(294,545)	(506,753)		(801,298)
Total Nonoperating Revenues (Expenses), Net	<u>(227,344)</u>	<u>(435,104)</u>		<u>(662,448)</u>
Transfers In (Out)	(118,639)	(256,278)	179,110	(195,807)
Intergovernmental	<u>761,172</u>	<u>965,931</u>		<u>1,727,103</u>
Change in Net Position	2,103,381	2,201,068	(13,014)	4,291,435
Net Position at Beginning of Year	<u>26,334,768</u>	<u>38,881,186</u>	<u>1,110,686</u>	<u>66,326,640</u>
Net Position at End of Year	<u>\$ 28,438,149</u>	<u>\$ 41,082,254</u>	<u>\$ 1,097,672</u>	<u>\$ 70,618,075</u>

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2018

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	DBIDA Fund	Total	
Cash Flows From Operating Activities:					
Receipts from customers and users for services	\$ 6,623,990	\$ 5,938,165		\$ 12,562,155	\$ 2,452,034
Receipts from customers and users for investment fees	344,793	699,891		1,044,684	
Payments to vendors and contractors	(2,194,383)	(1,902,538)	(7,952)	(4,104,873)	(2,715,149)
Payments of employee salaries and benefits	(1,165,056)	(1,766,995)	(185,774)	(3,117,825)	(1,585,971)
Receipts for interfund service provided			14,615	14,615	362,445
Payments for interfund service provided	(1,946,111)	(946,919)		(2,893,030)	
Net Change in Operating Activities	<u>1,663,233</u>	<u>2,021,604</u>	<u>(179,111)</u>	<u>3,505,726</u>	<u>(1,486,641)</u>
Cash Flows From Noncapital Financing Activities:					
Transfers in			179,110	179,110	1,594,311
Transfers out	(118,639)	(256,278)		(374,917)	(185,082)
Intergovernmental subsidy					77,412
Net Change in Noncapital Financing Activities	<u>(118,639)</u>	<u>(256,278)</u>	<u>179,110</u>	<u>(195,807)</u>	<u>1,486,641</u>
Cash Flows From Capital and Related Financing Activities:					
Purchases of capital assets and land for investment	(6,014,316)	(2,982,192)	1	(8,996,507)	
Capital contributions - federal and state grants	729,593	965,931		1,695,524	
Principal payments on bonds and notes	(1,037,695)	(1,571,039)		(2,608,734)	
Bond issuance	3,906,309	2,259,665		6,165,974	
Increase (decrease) in deferred inflows and outflows	1,828	96,618		98,446	
Interest expense	(320,629)	(532,620)		(853,249)	
Net Change in Capital and Related Financing Activities	<u>(2,734,910)</u>	<u>(1,763,637)</u>	<u>1</u>	<u>(4,498,546)</u>	<u>-</u>
Cash Flows From Investing Activities:					
Investment income	67,201	71,649		138,850	
Net Change in Investing Activities	<u>67,201</u>	<u>71,649</u>	<u>-</u>	<u>138,850</u>	<u>-</u>
Net Change in Cash and Short-Term Investments	(1,123,115)	73,338		(1,049,777)	
Cash and Short-Term Investments, Beginning of Year	<u>6,890,736</u>	<u>7,328,683</u>		<u>14,219,419</u>	
Cash and Short-Term Investments, End of Year	<u>\$ 5,767,621</u>	<u>\$ 7,402,021</u>	<u>\$ -</u>	<u>\$ 13,169,642</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Change In Operating Activities:					
Operating income (loss)	\$ 1,688,192	\$ 1,926,519	\$ (192,124)	\$ 3,422,587	\$ (1,736,344)
Adjustments to reconcile operating income (loss) to net change in operating activities:					
Depreciation	952,405	2,021,415		2,973,820	
Changes in assets and liabilities:					
User fees	(73,146)	(189,643)		(262,789)	
Inventory	(138,430)	(32,978)		(171,408)	(35,513)
Departmental and other receivables	188,738	(870,940)		(682,202)	15,267
Interfund receivables and payables	(1,946,111)	(946,919)	14,615	(2,878,415)	362,445
Accounts payable	(447,272)	319,050	1,106	(127,116)	(4,125)
Accrued liabilities	(3,512)	(3,763)	79	(7,196)	(85,283)
Unearned revenue	1,711,496	116,598		1,828,094	
Retainage payable	(214,861)	(151,273)		(366,134)	
Compensated absences	21,206	4,015	(2,787)	22,434	(3,088)
Net pension liability	(110,908)	(192,077)		(302,985)	
Other post-employment benefits liability	35,436	21,600		57,036	
Net Change in Operating Activities	<u>\$ 1,663,233</u>	<u>\$ 2,021,604</u>	<u>\$ (179,111)</u>	<u>\$ 3,505,726</u>	<u>\$ (1,486,641)</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Fiduciary Funds**Statement of Fiduciary Net Position**

June 30, 2018

	Agency Funds	Private Purpose Trust Funds	OPEB Irrevocable Trust Fund
ASSETS			
Cash and short term investments	\$ 301,737		
Due from other funds	<u>1,299,266</u>	\$ <u>915,739</u>	\$ <u>6,919,805</u>
Total Assets	<u>1,601,003</u>	<u>915,739</u>	<u>6,919,805</u>
LIABILITIES AND NET ASSETS			
Other liabilities	<u>1,601,003</u>		
Total Liabilities	<u>1,601,003</u>		
NET Position			
Total Net Position Held in Trust	\$ <u> </u>	\$ <u>915,739</u>	
Net Position Restricted for OPEB			\$ <u>6,919,805</u>

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2018

	Private Purpose Trust Funds	OPEB Irrevocable Trust Fund
Additions:		
Investment earnings	\$ 34,938	\$ 298,278
Transfers in		1,253,900
Total	<u>34,938</u>	<u>1,552,178</u>
Deductions:		
Disbursements by agent	22,226	
Management service		48,867
Total deductions	<u>22,226</u>	<u>48,867</u>
Net increase	<u>12,712</u>	<u>1,503,311</u>
Net Change in Fund Balance	12,712	1,503,311
Net Position:		
Beginning of year	<u>903,027</u>	<u>5,416,494</u>
End of year	<u>\$ 915,739</u>	<u>\$ 6,919,805</u>

Notes to Financial Statements

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Dover, New Hampshire (the City) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity

The City is a municipal corporation governed by an elected mayor, eight-member council and an appointed City Manager. In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may be financially accountable and, as such, should be included within the City's financial statements. In accordance with GASB Statement No. 14 as amended by GASB Statement No. 61, the City is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading. It was determined that no entities met the required criteria to be included as a component unit.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Notes to Financial Statements

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Improvements Program for fiscal year 2016 (CIP FY16) is used to account for the revenue from the bond proceeds and related expenditures for authorized projects.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The government reports the following major proprietary funds:

- The Water Fund accounts for the operation of a water treatment plant, city wells and water system
- The Sewer Fund accounts for the operation of a sewer treatment plant, pumping stations and sewer lines.
- The Dover Business and Industrial Development Authority Fund (DBIDA) accounts for the economic development projects of the DBIDA, which operates under RSA 162-G.

Notes to Financial Statements

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Financial Statements – Continued

Additionally, the government reports internal service funds, which account for data processing, fleet management services, workers compensation administration and claims, and other post-employment benefits (OPEB) liability expenses provided to other departments on the cost reimbursement basis.

Additionally, the government reports fiduciary funds, which employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds. Agency funds, however, only report assets and liabilities, and, thus, have no measurement focus. The government also reports the following fiduciary funds:

- Agency funds account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others and includes the Chamber of Commerce, Performance Bonds, Department Agency, and School Agency.
- The Private-Purpose Trust Funds are used to account for trust arrangements, under which principal and investment income exclusively benefit individuals, private organizations, or other governments. Private Purpose Trust Funds held by the City include trust arrangements for Cemetery general care, Parks & Recreation program scholarships, Welfare benefits, and School scholarships.
- The OPEB Irrevocable Trust Fund is used to account for assets held by the City in a trustee capacity to provide for funding of the city's OPEB liability.

As a general rule and per the City's policy, the effect of interfund activity has been eliminated from the government-wide financial statements. The reimbursements from other funds included in internal service funds revenue are eliminated on the government-wide level to remove the "doubling up" effect of internal service activity whereas charges for services in internal service funds are not eliminated.

Cash and Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The New Hampshire Public Deposit Investment Pool (NHPDIP) operates in accordance with appropriate state laws and regulations and is under the control of the New Hampshire Banking Commission. The reported value of the pool is the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes. Investments are considered holdings of greater than three months and are reported at fair value.

City Funds

Under New Hampshire RSA 48:16, the City Treasurer may invest excess funds which are not immediately needed for the purpose of expenditure, in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the state of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws of the state of New Hampshire or in banks recognized by the state treasurer. At least yearly, the City Council shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Notes to Financial Statements

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Trust Funds

Under New Hampshire RSA 34:5, capital reserve funds of the City shall be invested only by deposit in some savings banks or in the savings department of a national bank or trust company, or in the shares of a cooperative bank, building and loan association, or federal savings and loan association, in this state or in bonds, notes or other obligations of the United States government, in bonds or notes of this state, in such stocks and bonds as are legal for investment by New Hampshire savings banks, or in participation units in the public deposit investment pool established pursuant to RSA 383:22 by the trustees of the trust funds.

Under New Hampshire RSA 31:27, the city trustees of trust funds may establish, maintain and operate one or more common trust funds, in which may be combined money and property belonging to the various trusts in their care, for the purpose of facilitating investments, providing diversification and obtaining reasonable income; provided; however, that said, common trust funds shall be limited to the investments authorized in RSA 31:25; provided further, that not more than \$10,000 or more than 10 percent of the fund whichever is greater of any town or city common trust funds shall be invested under RSA 31:25 in the obligations of any one corporation or organization, excepting deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, in credit unions in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in shares of open-ended mutual funds selected by the trustees for investment under RSA 31:25.

Under New Hampshire RSA 31:25, at least yearly, the trustees of trust funds shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Post-Employment Benefits Irrevocable Trust Fund

The City is the trustee, or fiduciary, for assets set aside and held in an irrevocable trust arrangement for the post-employment benefits. The City contributions to this fund are expensed to the OPEB Internal Service Fund.

Under New Hampshire RSA 31:19-c, the legislative body of a municipality that created an actuarial liability to pay other post-employment benefits (OPEB) to employees or officers after their termination of service may establish an irrevocable trust to pay those benefits. Deposits to any fund under such a trust and any earnings on those deposits shall be irrevocable and shall be held in trust for the exclusive benefit of the retirees and their beneficiaries in accordance with the terms of the plan. The trustees of any trust created pursuant to this section shall have the full power to invest, reinvest, and manage the assets of the trust. The trustees shall also diversify such investments so as to minimize the risk of larger losses unless under the circumstances it is clearly prudent not to do so.

Notes to Financial Statements

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the City uses various methods, including market, income and cost approaches. Based on these approaches, the City often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the City is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the City performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve accounting applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Inventories

Inventories held for resale are valued at the lower of cost or market and inventories of supplies are recorded at cost using the first-in/first-out (FIFO) method. The costs of inventories is recorded as an expense when consumed rather than when purchased.

Notes to Financial Statements

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. When applicable, donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest was capitalized during 2018.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 – 40 years
Building improvements	40 years
Building systems	15 – 24 years
Infrastructure	20 – 40 years
Water/sewer infrastructure	24 – 50 years
Vehicles	8 – 15 years
Office equipment	7 – 20 years
Computer equipment	5 – 10 years
Land improvements	15 – 20 years
Machinery and equipment	5 – 15 years
Books and collections	5 years

Compensated Absences

Depending on the union agreement, employees may be compensated for unused amounts of sick leave earned prior to June 30, 1993, ranging from 25% to 75% of accumulated time. Effective June 30, 1993, all non-education employees are awarded sick leave at a rate of 10 days per year, which lapses at year end.

Employees earn vacation leave as they provide services. Employees may carry over earned vacation days with some limitations (usually sixty days) and use compensatory time for unused balances upon termination with some limitations, usually 30 days.

All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

During fiscal year 2002, the City began funding the current vested portion of vacation and sick time for non-enterprise fund employees by establishing a capital reserve fund. The balance in the fund as of June 30, 2018 was \$104,167 held in cash accounts. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

Notes to Financial Statements

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The City has deferred outflows related to the pension liability and the OPEB liability as is more fully disclosed in the related footnotes, and the other item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. They are the deferred inflows related to the pension liability and the OPEB liability as is more fully disclosed in the related footnotes. Also, the City has two items which arise under a modified accrual basis of accounting that qualifies for reporting in this category, unavailable revenue from property taxes and unavailable revenue from long-term receivables which is based on a recognition period adopted by the City. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Notes to Financial Statements

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Balances

In the governmental fund financial statements fund balance is reported in five classifications.

Nonspendable fund balance	Nonspendable fund balance represents fund balance amounts that are not in spendable form, such as inventories and prepaid items or are legally or contractually required to be maintained intact.
Restricted	Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
Committed	Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit a fund balance.
Assigned	Resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for at year end. The City Council has by resolution authorized the City's management (the City Manager) to assign fund balance amounts to a specific purpose. This account also includes fund balance authorized by provisions of the City Charter to be used in a subsequent fiscal year.
Unassigned	Resources which cannot be properly classified in one of the other four categories. The General Fund should be the only fund that reports a positive unassigned fund balance amount. When fund balance is negative the amount is reported as unassigned.

The City's fund balance policy establishes that an amount equal to at least 15% of the City's most recent approved operating budget shall be established as a minimum unassigned fund balance.

Notes to Financial Statements

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements as flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

Recently Adopted Accounting Pronouncements

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. This statement improves accounting and financial reporting by state and local governments for OPEB. The new statement is effective for periods beginning after June 15, 2017. The adoption of this statement is disclosed in Note 16.

Notes to Financial Statements

June 30, 2018

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City Manager submits his proposed operating budget to the City Council on or before April 15th. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are legally adopted for the following funds: General, parking activity, residential solid waste, library fines, tuition programs, school alternative education, school facilities, McConnell Center, police DHA and school cafeteria. Proprietary funds with annually adopted budgets are water and sewer funds. Public hearings are conducted to obtain comments on the proposed budget. The final budget must be adopted by June 15th, but not earlier than seven days after a public hearing. A separate public hearing is held on the portion of the budget submitted by the School Board.

The City Manager may make intra-department (non-school department) budgetary transfers, inter-department (non-school department) budgetary transfers require the approval of the City Council. The Superintendent of the School Department may make budgetary transfers within the School Department, as needed. The City Council may, after public hearings, appropriate additional amounts. The City Council must designate the source of such funds, except for emergency situations. All unencumbered appropriations, except those for capital expenditures or dedicated funds, lapse at the end of the fiscal year. Appropriation for capital expenditures remains in force for three years or until their purpose has been accomplished or abandoned.

Budgetary Basis

The General Fund's final appropriation appearing on the Budget and Actual page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the general and special revenue funds is based upon accounting principles that differ from GAAP. Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and various special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data. The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	Revenues and other sources	Expenditures and other uses	Revenues and other sources over expenditures and other uses
General Fund			
Revenues/expenditures (GAAP basis)	\$110,399,863	\$104,260,535	\$ 6,139,328
Other financing sources/uses (GAAP basis)	9,862,483	13,513,403	(3,650,920)
	120,262,346	117,773,938	2,488,408
Reverse beginning of year appropriation carryforwards from expenditures		(2,411,393)	2,411,393
Reverse on-behalf payments	(608,124)	(608,124)	
Add end of year appropriation carryforwards			
Refunding attributed to proprietary funds to expenditures	1,813,471	1,813,471	
		2,697,621	(2,697,621)
Less expenditures from reserves and carryovers		(473,135)	473,135
Other adjustments	127,804	129,552	(1,748)
Budgetary Basis	\$121,595,497	\$118,921,930	\$ 2,673,567

Notes to Financial Statements

June 30, 2018

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

Nonmajor Governmental Funds		
Parking Activity	\$	(119,162)
Library Fines		(949)
Internal Service Funds		
OPEB fund	\$	(119,426)

Deficit Fund Equity

The individual projects within the following funds had deficits as of June 30, 2018:

Nonmajor Governmental funds			
Special Revenue Funds:			
Community Development	\$	(329,946)	(A)
Economic Development Loan Fund		(325,187)	(A)
DOI Fund		(143,410)	(A)
Department of Commerce Fund		(12)	(A)
Dover Main Street Fund		(18,915)	(A)
McConnell Center		(435,885)	(B)
Tuition Programs		(6,874)	(A)
School Alternative Education Fund		(1,153)	(A)
Capital Project Funds:			
CIP FY17		(4,245,140)	(B)
CIP FY13		(242,984)	(B)
CIP FY12		(1,047,934)	(B)
CIP FY10		(1,151,842)	(B)
CIP FY07		(772,421)	(B)
CIP FY06		(51,210)	(B)
CIP FY05		(420,870)	(B)
CIP FY04		(136,940)	(B)
CIP FY03, FY02, FY00		(122,718)	(B)
Tolend Road Landfill Closure		(690,557)	(B)
Internal Service Funds:			
Workers Compensation Fund		(41,815)	(B)
OPEB Fund		(46,380)	(B)

(A) The deficits in these funds will be eliminated through the future grant reimbursements.

(B) The deficits in these funds will be eliminated through future departmental revenues and transfers from other funds.

Notes to Financial Statements

June 30, 2018

NOTE 3 – CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. None of the City's deposits or investments were exposed to custodial credit risk.

City Funds

The City's Investment Policy requires the use of security broker/dealers be based on credit-worthiness (a minimum capital requirement of \$100 million and at least five years of operation). Permitted investment per state law and the City's policy are U.S. Government Obligations, New Hampshire Public Deposit Investment Pool (NHPDIP), Certificates of Deposits in New Hampshire banks and overnight Repurchase Agreements whose underlying securities consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations. Financial institutions where funds are kept on deposit, in CDs or Repurchase Agreements must meet the following criteria, minimum total assets of \$100 million, minimum of an average rating by a bank rating service, minimum ratio of equity capital to total assets of 5% and maximum ratio of non-performing assets to equity of 20%.

Full collateralization is required on non-negotiable CDs or overnight Repurchase Agreements. Repurchase Agreement collateral must consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations.

Maximum maturity for an investment of City funds is six months. As of June 30, 2018, the City's bank balance of \$63,931,236 was fully insured or collateralized. Included in cash is \$14,702,493 of bond proceeds that is restricted for capital projects.

Trust Funds

The Investment Policy of the City's Board of Trustees of the Trust Funds permits deposits and investments in:

- Deposits in savings banks or the savings department of a national bank or trust company in the state of New Hampshire or in the NHPDIP.
- Shares of a building and loan association or cooperative bank, incorporated and doing business under New Hampshire law.
- Shares of any federal savings and loan association, located and doing business in New Hampshire.
- Certificates of deposits in New Hampshire.
- Bonds, notes or other obligations of the U.S. Government or the state, county, town, city, school district or water and sewer district.
- Stocks and bonds as are legal for investment by New Hampshire savings banks.
- Shares of mutual funds or money market mutual funds.
- The Board of Trustees of Trust Funds' standard for investing Common Trust Funds is the Prudent Investor Rule in accordance with RSA 31:25-d. To comply with the provisions of the Prudent Investor Rule, the Board engaged the services of an investment advisor.

Notes to Financial Statements

June 30, 2018

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Credit Risk

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. In addition, they do not permit investments made with leveraging techniques, margin purchases or trading involving short selling. The Board of Trustees' Investment Policy also addresses specific ratio analysis and financial parameters for investments in stocks, bonds and mutual funds. In fiscal year 2018, the trust investments authorized to be managed by the Board's investment advisor were as follows:

Equity Investments

The Equity asset class may be comprised of individual securities, mutual funds and other pooled asset portfolios that are invested principally in equity securities of U.S. or international companies that have a proven record of earnings, growth, strong fundamentals and good valuations. These securities may be listed on registered exchanges, or actively traded in the over-the counter market, or considered to be restricted securities (provided that the percentage of the fund's assets invested in such securities conform to the investment instrument's prospectus). Benchmarks for the equity investments will be: 75% S&P 500, 10% S&P 400, and 15% MSCI EAFE.

Fixed Income Investments

The Fixed income asset class may be comprised of individual securities, mutual funds and other pooled assets portfolios that are invested principally in fixed income securities rated investment grade or better (rated in one of the four highest rating categories by a National Recognized Statistical Rating Organization (NRSRO) at the time of purchase), or, if not rated, are determined to be of comparable quality by the Investment Advisor or a mutual fund manager. The benchmark for the fixed income investments will be the Barclays Aggregate Bond Index.

Cash Equivalent Reserves

Cash equivalent reserves shall consist of money markets, mutual funds, and/or cash equivalents that comply with Rule 2a-7 under the Investment Company Act of 1940, as amended, or in the New Hampshire Public Deposit Investment Pool.

Investments as of June 30, 2018 consisted of:

	Fair Value	Investment Maturities (in Years)			
		1 - 5	6 - 10	More than 10	No Maturity
Corporate Bonds	\$ 1,945,759	\$ 1,373,960	\$ 571,799		
Bond Funds	2,664,611				\$2,664,611
Common Stock and Mutual Funds	6,012,561				6,012,561
Money Market, less than one year	570,236	570,236			
Total Investments	<u>\$11,193,167</u>	<u>\$1,944,196</u>	<u>\$ 571,799</u>	<u>\$ -</u>	<u>\$8,677,172</u>

Notes to Financial Statements

June 30, 2018

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Cash Equivalent Reserves – Continued

Fair values of assets measured on a recurring basis at June 30 are, as follows:

	Total	Level 1	Level 2	Level 3
June 30, 2018				
Corporate Bonds	\$ 1,945,759	\$ 1,945,759		
Bond Funds	2,664,611	2,664,611		
Common Stock and Mutual Funds	6,012,561	6,012,561		
Money Market, less than one year	570,236	570,236		
Total investments	<u>\$11,193,167</u>	<u>\$11,193,167</u>	<u>\$ -</u>	<u>\$ -</u>

There were no assets classified as level 2 or 3 as of June 30, 2018.

The City's investment in debt securities that require disclosure of credit risk were rated by Moody's, as follows:

Fixed income corporate bonds \$895,821 — Aaa; Fixed income corporate bonds \$1,049,938 — Aa thru A3; Bond funds \$1,811,007 — Aaa and \$853,603 below Aaa or not rated, with 65% of these funds (21% of the non-Aaa portion) rated A1 or better.

As of June 30, 2018, the City did not have investments in any one issuer that exceeded 5% of investments.

City Funds

The City's Investment Policy limits its exposure to concentration credit risk by limiting the types of investment securities that it holds to U.S. Government Obligations and by splitting its short term deposits between financial institutions that fully collateralize them and the NHPDIP that also collateralizes the deposits and fully insures them.

NHPDIP shares of the pool are available to be redeemed upon proper notice, as outlined in the Pool's Information Statement, without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as an investor has a sufficient number of shares to meet their redemption request. The Commissioner, or the Program Administrator if designated by the Commissioner, may suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of the Pool's securities or determination of its net asset value not reasonably practicable.

Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is as follows:

Approved Allocation Guidelines for Common Trust Assets

Cash	0% - 10%
Fixed Income	30% - 60%
Equities	40% - 70%
Inflation Hedge	0% - 10%

Notes to Financial Statements

June 30, 2018

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Trust Funds – Continued

The Fixed Income allocation shall consist of 15% or less of high yield bond funds.

Common Trust Accumulated Income Assets

Cash	25% - 100%
Fixed Income	0% - 75%
Equities	0% - 35%

The Fixed Income allocation shall consist of no investment into high yield bond funds. Investment into Fixed Income and Equities investments is only at specific direction of the Board of Trustees of Trust Funds.

Capital Reserve Funds

Cash	5% - 100%
U.S. Treasuries	0% - 60%
AAA Government Agencies	0% - 60%

In fiscal year 2018, all Capital Reserve Funds' investments were fully collateralized.

- No more than 10% of the portfolio (cost basis including cash and investments) shall be invested in the obligations of any one entity, corporation or organization exclusive of U.S. government or agency obligations. A mutual fund will be considered one entity.
- No more than 20% (market value basis) shall be invested in any one sector.
- About 10% of the portfolio should be kept in more liquid money market accounts.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

City Funds

The City minimizes the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so securities mature to meet the cash requirements for on-going operations, thus, avoiding the need to sell securities on the open market prior to maturity. The policy also provides for investing primarily in shorter-term securities including the local government investment pool.

Trust Funds

The Trust recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary loss of liquidity. Portfolio diversification is to be employed as a way to control risk. The Trustees' investment advisor is expected to use prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the specific issuer. The Trustees' investment advisor shall review and, if appropriate, proceed to liquidate any securities having comparable credit risks.

Notes to Financial Statements

June 30, 2018

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Foreign Currency Risk

Specific investment in foreign securities is not permitted by either the City or Board of Trustees Investment Policies. Mutual Funds held by the Board of Trustees may have insignificant holdings in foreign securities.

The City and Board's policies also outline other specific investment criteria and are available for review at www.dover.nh.gov.

NOTE 4 – TAXES RECEIVABLE

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

Property taxes are due no earlier than December 1 and June 1 of the following year and must be due at least 30 days after bills are mailed. At the time of the tax lien, which the City usually places within 60 to 90 days after the second due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes are not paid (redeemed) within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public auction or sealed bid.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years. Management has reviewed accounts receivable for collectability and has determined that an allowance for uncollectable accounts is necessary based on history and aging of individual accounts.

Taxes receivable at June 30, 2018 are comprised of (in thousands):

Unredeemed taxes:

Levy of fiscal year 2018	\$	2,423
Levy of fiscal year 2017		523
Levy of fiscal year 2016		337
Levy of subsequent years		229
Allowance for uncollectibles		(313)
		<u>3,199</u>

Other taxes:

Other miscellaneous taxes		106
	\$	<u><u>3,305</u></u>

Notes to Financial Statements

June 30, 2018

NOTE 5 – DEPARTMENTAL AND OTHER RECEIVABLES

Departmental and other receivables, as reported in the governmental funds represent ambulance, school detail, current use receivables and other reimbursements. Management has reviewed accounts receivable for collectability and has determined that an allowance for uncollectable accounts is necessary based on history and aging of individual accounts.

	Ambulance	Other Special Revenue	School	Other	Total
Gross	\$ 2,741,162	\$ 302,701	\$ 82,863	\$ 310,895	\$ 3,437,621
Less allowance for doubtful accounts	(1,817,852)				(1,817,852)
	<u>\$ 923,310</u>	<u>\$ 302,701</u>	<u>\$ 82,863</u>	<u>\$ 310,895</u>	<u>\$ 1,619,769</u>

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES

The balance of \$621,731 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Funds bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

Fiscal Year Ended June 30,	Reimbursement For		
	Principal	Interest	Total
2019	\$ 55,860	\$ 33,766	\$ 89,626
2020	55,687	31,974	87,661
2021	55,687	30,187	85,874
2022	54,732	28,394	83,126
2023	54,732	26,644	81,376
2024 - 2028	254,196	106,814	361,010
2029 - 2033	225,000	56,646	281,646
2034 - 2037	180,000	14,338	194,338
	<u>\$ 935,894</u>	<u>\$ 328,763</u>	<u>\$ 1,264,657</u>

In the Sewer Enterprise fund, the City has accrued \$33,766 of interest due in fiscal year 2018, along with all principal as intergovernmental receivables at June 30, 2018.

NOTE 7 – LOANS RECEIVABLE

Loans receivable of \$537,617 in non-major governmental funds represent the uncollected balance of community development loans net of an allowance for uncollectable accounts in the amount of \$346,212. Management determined the allowance is necessary based on history and aging of individual loans.

Notes to Financial Statements

June 30, 2018

NOTE 8 – INTERFUND FUND RECEIVABLES, PAYABLES, AND TRANSFERS

The City maintains self-balancing funds; however, most cash transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The amount listed as advance to other funds, which is due to the general fund, is from the McConnell Center Fund and relates to cash flow hardship, and is not scheduled to be collected in the subsequent year. The following is an analysis of the June 30, 2018 balances in interfund receivable and payable accounts:

Fund	Due From Other Funds	Due to Other Funds	Advance to Other Funds	Advance From Other Funds
General Fund		\$ 17,911,750	\$ 427,299	
CIP FY 16	\$ 13,986,203			
Nonmajor Governmental Funds	9,743,221	17,127,718		\$ 427,299
Major Proprietary Funds:				
Enterprise Funds:				
Water		111,269		
Sewer	1,797,968			
DBIDA		144,973		
Nonmajor Proprietary Funds:				
Internal Service Funds	633,508			
Fiduciary Funds:				
Agency Funds	1,299,266			
Private Purpose Funds	915,739			
OPEB Irrevocable Trust Fund	6,919,805			
	<u>\$ 35,295,710</u>	<u>\$ 35,295,710</u>	<u>\$ 427,299</u>	<u>\$ 427,299</u>

Interfund transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The following is an analysis of the June 30, 2018 interfund transfers:

Fund	Transfers In	Transfers Out
General Fund	\$ 1,912,066	\$ (5,562,986)
CIP FY 16	508,475	
Nonmajor Governmental Funds	675,123	
Major Proprietary Funds:		
Enterprise Funds		
Water		(118,639)
Sewer		(256,278)
DBIDA	179,110	
Nonmajor Proprietary Funds		
Internal Service Funds	1,409,229	
OPEB Irrevocable Trust Fund	1,253,900	
Total Interfund Transfers	<u>\$ 5,937,903</u>	<u>\$ (5,937,903)</u>

Notes to Financial Statements

June 30, 2018

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows (reported in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 139,215	\$ 1,504	\$ (37)	\$ 140,682
Machinery, equipment and furnishings	32,319	2,301	(2,409)	32,211
Infrastructure	98,608	3,634		102,242
Total capital assets, being depreciated	270,142	7,440	(2,445)	275,135
Less accumulated depreciation:				
Buildings and improvements	(47,909)	(3,124)	36	(50,997)
Machinery, equipment and furnishings	(25,071)	(1,276)	2,363	(23,984)
Infrastructure	(59,459)	(3,298)		(62,757)
Total accumulated depreciation	(132,439)	(7,698)	2,399	(137,738)
Total capital assets, being depreciated, net	137,703	(258)	(46)	137,397
Capital assets, not being depreciated:				
Land	14,806		(50)	14,756
Construction in progress	59,490	55,725	(4,776)	110,439
Total capital assets, not being depreciated	74,296	55,725	(4,827)	125,195
Governmental Activities Capital Assets, Net	<u>\$ 211,999</u>	<u>\$ 55,467</u>	<u>\$ (4,873)</u>	<u>\$ 262,592</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 39,315			\$ 39,315
Machinery, equipment and furnishings	16,087	\$ 483	\$ (71)	16,499
Infrastructure	75,861	1,537		77,398
Total capital assets, being depreciated	131,263	2,020		133,212
Less accumulated depreciation:				
Buildings and improvements	(25,126)	(514)		(25,640)
Machinery, equipment and furnishings	(11,700)	(931)	71	(12,560)
Infrastructure	(30,891)	(1,529)		(32,420)
Total accumulated depreciation	(67,717)	(2,974)	71	(70,620)
Total capital assets, being depreciated, net	63,546	(954)		62,592
Capital assets, not being depreciated:				
Land	1,785	164		1,949
Construction in progress	23,035	8,911	(2,098)	29,848
Total capital assets, not being depreciated	24,820	9,075	(2,098)	31,797
Business-Type Activities Capital Assets, Net	<u>\$ 88,366</u>	<u>\$ 8,121</u>	<u>\$ (2,098)</u>	<u>\$ 94,389</u>

Notes to Financial Statements

June 30, 2018

NOTE 9 – CAPITAL ASSETS – CONTINUED

Depreciation expense was charged to functions of the City as follows (in thousands):

Governmental Activities:

General government	\$	255
Public safety		1,103
Public works		4,108
Education		1,735
Culture and recreation		495
Public welfare		2
Total Depreciation Expense - Governmental Activities	\$	<u>7,698</u>

Business-Type Activities:

Water	\$	952
Sewer		2,022
Total Depreciation Expense – Business-Type Activities	\$	<u>2,974</u>

Notes to Financial Statements

June 30, 2018

NOTE 9 – CAPITAL ASSETS – CONTINUED

Construction Commitments:

Active construction in progress at June 30, 2018 and commitments outstanding consist of the following:

	Construction in Progress	Remaining Commitments
Government Activities:		
School - Dover High Sch Fac Impr	\$ 55,793,340	\$ 9,402,088
School - Regional Voc Sch Fac Impr	17,998,609	1,949,507
Tolend Rd - Remedial Action Trust	12,933,677	
PW - Cocheco Dredge Cell	3,693,574	68,224
PW - Bridge Replacement - Whittier Street	3,460,391	315,115
Garrison School Roof Replacement	3,098,383	4,998,093
Street Reconstruction - Keating/Birchwood	1,881,019	93,233
Tolend Rd - Landfill Closure	1,819,794	
Tolend Rd - BioRemediation	1,644,888	
Police - Communications Equipment	1,325,211	43,957
Tolend Rd - Bellamy Plume Trust	977,943	
Cocheco Riverfront Stabilization	949,592	635,133
Street Reconstruction - Richardson Drive	843,250	122,612
General Building Improvements	804,236	381,011
PW - Street Lighting	552,217	12,935
TIP - Central Ave Bridge	545,192	
PW - Street Reconstruction Nelson Street	425,025	
PW - Street Improvements	217,758	383,896
McConnell Veterans Memorial Park	156,066	
Recreation Field Construction	147,500	
PW - Lisa Beth Drive & Circle Reconstruction	144,767	
Street Reconstruction - Broadway RR Culvert	116,782	27,614
Street Reconstruction - Hanson Street	107,705	489,780
City Hall Improvements	90,000	45,836
McConnell Bldg Improvements	83,068	45,000
Recr - Athletic Field Development	50,000	44,900
PW - Energy Conservation	47,894	
Street Reconstruction - Floral & Block	47,251	37,675
Street Reconstruction - Spur Road	45,786	160,914
Park Infrastructure Replacement/Maint	45,514	9,569
Street Reconstruction - Roberts Road	45,058	811,914
PW - Dam Retaining Wall	42,668	21,603
TIP - Washington/Arch Street Railroad Bridge	40,961	
Recreation - Cocheco River Park	40,000	
Various other construction projects	224,283	1,987,368
Total Governmental Activities	<u>\$ 110,439,401</u>	<u>\$ 22,087,977</u>

Notes to Financial Statements

June 30, 2018

NOTE 9 – CAPITAL ASSETS – CONTINUED

Construction Commitments Continued:

	Construction In progress	Remaining Commitments
Business-Type Activities:		
Sewer - WWTP Buildings	\$ 11,623,476	\$ 115,546
Water System Facilities Upgrade	9,457,572	279,334
Sewer Main - Spaulding Turnpike	3,159,150	
Sewer - Inflow & Infiltration	756,322	365,460
Water Main Replacement - Keating/Birchwood	680,578	150,248
Sewer - Leighton Way Pump Station	635,714	
Sewer Main - Richardson Drive	620,739	445,900
Water Main Replacement - Spaulding Turnpike	523,243	39,002
Water Main Replacement - Richardson Drive	355,160	2,539
Pudding Hill Aquifer Remediation	316,374	245,280
WWTP - Facility Upgrade 2013 Cip	305,234	30,388
Ireland Well Replacement	238,900	
Various other sewer construction projects	598,370	602,019
Various other water construction projects	577,522	555,732
Total Business-Type Activities	<u>\$ 29,848,354</u>	<u>\$ 2,831,448</u>

Remaining commitments are expected to be funded by bond proceeds.

NOTE 10 – ACCOUNTS PAYABLE

Accounts payable represent fiscal year 2018 invoices paid in the subsequent fiscal year.

NOTE 11 – ACCRUED LIABILITIES

Accrued liabilities in the general fund represent salaries earned but unpaid to City and School employees and other related payroll liabilities at year-end.

NOTE 12 – LONG-TERM DEBT

Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the City for various municipal projects are approved by City Council and repaid with property taxes recorded in the General Fund and user fees recorded in Enterprise Funds. Compensated absences are repaid from the funds that the costs relate to, mostly the general fund, and also water, sewer, internal service, and other special revenue funds.

Notes to Financial Statements

June 30, 2018

NOTE 12 – LONG-TERM DEBT—CONTINUED

General Obligation Bonds and Loans

The City's general obligation bonds and loans are used to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and loans have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. All bonds and loans outstanding were used in calculating the net position invested in capital assets net of related debt. General obligation bonds and loans currently outstanding are as follows:

Description	Original Issue Amount	Rate	Maturity Date	Balance
Bonds Payable:				
New Middle School 1999	\$ 15,741,027	5.5800%	1/15/20	\$ 875,033
Public improvements 2002	2,240,600	4.2300%	6/15/22	100,000
Public improvements 2008	9,970,000	4.0935%	12/15/28	575,000
Public improvements 2009	12,799,000	3.4417%	4/1/30	1,490,000
Public improvements refunding 2001	8,790,000	2.1535%	6/30/21	1,250,000
Public improvements refunding 2003 & 2004	17,530,000	2.3433%	6/15/32	8,300,000
Public Improvements	22,385,000	2.8090%	5/15/34	17,515,000
Public improvements - TIF	11,495,000	3.2670%	5/15/34	10,400,000
Public Improvements refunding 2005	4,425,000	1.7460%	7/1/25	2,790,000
Public Improvements refunding 2006 & 2007	19,590,000	2.0020%	6/15/27	16,195,000
Public Improvements 2016	73,900,000	3.1304%	6/15/41	73,900,000
Public Improvements 2017 Series A	8,290,000	1.7857%	12/15/29	8,290,000
Public Improvements 2017 Series B	10,525,000	2.5043%	12/15/37	10,525,000
Total Bonds Payable				<u>152,205,033</u>
Other Long-Term Debt				
CDFA Energy Improvement	250,000	2.4700%	12/31/20	81,502
State revolving loan – WWTP Aeration	279,157	1.7000%	2/1/22	111,663
State revolving loan – North End Pressure	3,400,000	2.7200%	11/1/32	3,065,799
Eversource SMART START – Arena	110,058	2.1200%	1/15/19	13,626
Eversource SMART START – Indoor Pool	31,990	2.1200%	1/1/22	17,897
Eversource SMART START – DPW Facility	47,333	4.1790%	11/1/20	34,966
Eversource SMART START – McConnell	125,139	2.1200%	12/1/22	79,392
SRL – WWTP MLE Conversion	10,039,165	2.0000%	5/1/36	9,179,141
River Street Pump Station	1,207,935	3.1680%	3/1/34	966,348
Total Other Debt Outstanding				<u>13,550,334</u>
Total Long-Term Debt				<u>\$ 165,755,367</u>

Notes to Financial Statements

June 30, 2018

NOTE 12 – LONG-TERM DEBT – CONTINUED

Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2018 are as follows:

Governmental	Principal	Interest	Total
2019	\$ 6,859,216	\$ 6,319,015	\$ 13,178,231
2020	6,969,203	5,967,658	12,936,861
2021	7,726,717	4,635,823	12,362,540
2022	7,348,593	4,352,302	11,700,895
2023	6,960,031	4,002,625	10,962,656
2024 – 2028	31,288,027	15,314,000	46,602,027
2029 – 2033	29,651,362	9,480,296	39,131,658
2034 – 2038	21,753,334	4,943,544	26,696,878
2039 – 2043	19,975,000	1,005,550	20,980,550
	<u>\$ 138,531,483</u>	<u>\$ 56,020,813</u>	<u>\$ 194,552,296</u>
Business-Type			
2019	2,455,516	824,877	3,280,393
2020	2,391,144	736,398	3,127,542
2021	2,174,628	628,207	2,802,835
2022	1,988,343	561,340	2,549,683
2023	1,868,455	490,397	2,358,852
2024 – 2028	8,309,536	1,530,712	9,840,248
2029 – 2033	5,753,487	576,971	6,330,458
2034 – 2038	2,282,775	103,187	2,385,960
	<u>27,223,884</u>	<u>5,452,089</u>	<u>32,675,971</u>
Total Future Debt Service	<u>\$ 165,755,367</u>	<u>\$ 61,472,902</u>	<u>\$ 227,228,267</u>

The City's business-type fund future debt service is partially funded by the state as described in Note 6. The governmental future debt service relating to school construction is partially funded by the New Hampshire Department of Education School Building Aid, which is annually appropriated by the state.

Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2018 are as follows:

Purpose	Amount
Parking lot Improvements	\$ 85,765
Public Improvements – FY14	750,075
Public Improvements – FY15	3,435,000
Public Improvements – FY16	6,800,000
Public Improvements – FY17	27,399,000
Public Improvements – FY18	12,187,990
Public Improvements – FY19	10,050,000
	<u>\$ 60,707,830</u>

Notes to Financial Statements

June 30, 2018

NOTE 12 – LONG-TERM DEBT – CONTINUED

Maximum Debt Limit

The City is subject to state law which limits debt outstanding to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems is not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at June 30, 2018 and related limitations. These limits are based on the tax year 2017 base valuations for debt limits of \$3,472,369,055 provided by the State Department of Revenue Administration.

Purpose	Percent of State Assessed Value	Maximum Debt Limit	Applicable Bonds Outstanding at June 30, 2018
Municipal	3%	\$104,171,072	\$ 37,436,911
School	7%	243,065,834	85,637,329
Water	10%	347,236,906	8,388,764
DBIDA - IP	0%	4,000,000 *	
DBIDA - IB	0%	1,000,000	
DBIDA - Projects	8%	226,192,470	
Not subject to limitation	0%		34,292,363
			<u>\$ 165,755,367</u>

*Debt limit is set by special legislation.

Changes in General Long-Term Liabilities

During the year ended June 30, 2018, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/17	Additions	Reductions	Total Balance 6/30/18	Less Current Portion	Long-Term Portion 6/30/18
Governmental Activities						
Claims liability	\$ 234	\$ 14	\$ (99)	\$ 149	\$ (39)	\$ 110
Bonds and loans payable	137,446	15,682	(14,597)	138,531	(6,859)	131,672
Bond premium	7,444	2,009	(596)	8,857	(670)	8,187
Net Pension Liability	79,902		(5,431)	74,471		74,471
Other:						
Compensated absences	3,518	1,189	(1,170)	3,537	(134)	3,403
OPEB liability	35,544	8,139		43,683		43,683
Liability for hazardous waste-site cleanup	11,769	2,892		14,661		14,661
	<u>\$ 275,857</u>	<u>\$ 29,925</u>	<u>\$ (21,893)</u>	<u>\$ 283,889</u>	<u>\$ (7,702)</u>	<u>\$ 276,187</u>

Business-Type Activities

Bonds and loans payable	\$ 28,091	\$ 3,133	\$ (4,001)	\$ 27,223	\$ (2,455)	\$ 24,768
Bond premium	1,275	423	(135)	1,563	(151)	1,412
Net Pension Liability	2,415		(303)	2,112		2,112
Other:						
Compensated absences	145	127	(105)	167	(17)	150
OPEB liability	2,669	57		2,726		2,726
	<u>\$ 34,595</u>	<u>\$ 3,740</u>	<u>\$ (4,544)</u>	<u>\$ 33,791</u>	<u>\$ (2,623)</u>	<u>\$ 31,168</u>

Notes to Financial Statements

June 30, 2018

NOTE 12 – LONG-TERM DEBT – CONTINUED

The net other post-employment benefit liability, net pension liability and compensated absences liability are liquidated by the proportional share of the obligation by the General Fund, Water Fund and Sewer Fund.

Contingent Debt Obligation

The City received funding authorization, in fiscal year 2016, for a Water capital project from the State of New Hampshire through a revolving renovation loan fund for which up to fifteen percent of the amount drawn by the City will be covered by a Federal grant. The City will be obligated to repay the amount drawn over a period of 20 years, plus interest at 2.424%. The City made the decision to defer the entire amount of the reimbursements until the loan agreement is finalized. As of June 30, 2018, the City has received \$8,500,000 of reimbursements for the Water Facilities Upgrade Phase I project. The project has been completed and on July 3, 2018 the City finalized the loan agreement with the State of New Hampshire.

In fiscal year 2016 the City received funding authorization for a Sewer capital project on Richardson Drive from the State of New Hampshire through a revolving renovation loan fund for which up to fifteen percent of the amount drawn by the City will be covered by a Federal grant. The City will be obligated to repay the amount drawn over a period of 20 years, plus interest at 2.552%. The City made the decision to defer the entire amount of the reimbursements until the loan agreements are finalized. As of June 30, 2018, the City has received \$626,719 of reimbursements related to the project. The project was completed in fiscal year 2019, and the City has finalized loan agreements with the State of New Hampshire effective December 3, 2018.

In fiscal year 2017 the City received funding authorization for a Water Facilities Improvement Phase II project from the State of New Hampshire through a revolving renovation loan fund for which up to fifteen percent of the amount drawn by the City will be covered by a Federal grant. The City will be obligated to repay the amount drawn over a period of 20 years, plus interest at 1.96%. The City made the decision to defer the entire amount of the reimbursements until the loan agreement is finalized. As of June 30, 2018, the City has received \$392,259 of reimbursements related to the Water project. The project will be completed in fiscal year 2019, and the City will then finalize loan agreements with the State of New Hampshire.

In fiscal year 2017 the City received funding authorization for a combined Water and Sewer capital project on Keating and Birchwood Streets from the State of New Hampshire through a revolving renovation loan fund for which up to fifteen percent of the amount drawn by the City will be covered by a Federal grant. The City will be obligated to repay the amount drawn over a period of 15 years, plus interest at 2.0%. The City made the decision to defer the entire amount of the reimbursements until the loan agreements are finalized. As of June 30, 2018, the City has received \$100,958 and \$178,637 of reimbursements related to the Water and Sewer portions of the project, respectively. The project will be completed in fiscal year 2019, and the City will then finalize loan agreements with the State of New Hampshire.

New Debt Issuance

On November 30, 2017 the City issued general obligation bonds at a Par amount of \$10,525,000 and received \$920,000 Premium after payment of \$35,783 in underwriting fees. The bonds finance \$9,767,000 related to Governmental activities and \$1,678,000 related to Business-type activities. Governmental activities include projects such as public safety communication system upgrades, reconstruction of Whittier Street bridge, seven (7) street reconstruction projects, and building improvements at City hall, McConnell Center, and Ice Arena. Business-type activities include projects such as Water main replacement, Sewer main replacement at the Spaulding Turnpike, Leighton Way Pump Station and Stonewall Drive Pump Station. The City bonds were rated and AA+ by Standard and Poor's Rating Group. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. Competitive bids were solicited, and the City received 5 bids on November 8, 2017. Robert W. Baird & Co. based in Milwaukee, Wisconsin was awarded the bid at a True Interest Cost (TIC) of 2.504 percent. The bonds were dated November 30, 2017 and mature December 15, 2037.

Notes to Financial Statements

June 30, 2018

NOTE 12 – LONG-TERM DEBT – CONTINUED

New Debt Issuance – Continued

Bonds maturing on or prior to December 15, 2027 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after December 15, 2028 shall be subject to redemption prior to maturity at the option of the City.

Defeased Debt

On November 30, 2017 the City issued \$8,290,000 in general obligation bonds to advance refund a portion of the City's \$9,970,000 capital improvement general obligation bonds issued November 15, 2008 and a portion of the City's \$12,799,000 capital improvement general obligation bonds issued April 15, 2010. The 2008 bonds matured December 15, 2028, with a true interest cost of 4.0935 percent, in the aggregate principal amount of \$4,150,000 maturing in the years 2019 through 2028. The 2010 bonds matured April 1, 2030, with a true interest cost of 3.441716 percent, in the aggregate principal amount of \$5,150,000 maturing in the years 2020 through 2030. The November 15, 2008 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after December 15, 2019 through December 15, 2028. The April 15, 2010 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after April 1, 2021 through April 1, 2030. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. The bonds were rated AA+ by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 5 bids on November 8, 2017. Janney Montgomery Scott LLC was awarded the bid at a true interest cost of 1.785657 percent. The refunding bonds were dated November 30, 2017 and mature December 15, 2029. The refunding bonds are not subject to redemption prior to their stated maturity dates.

The proceeds of \$8,290,000, and \$1,473,888 of reoffering premium after payment of \$71,204 in underwriting fees and other issuance costs, were used to purchase U.S. governmental securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the November 15, 2008 general obligation bonds in the aggregate principal amount of \$4,150,000 and on the April 15, 2010 general obligation bonds in the aggregate principal amount of \$5,150,000. As a result, the November 15, 2008 general obligation bonds maturing on or after December 15, 2019 are considered to be defeased and the \$3,700,000 liability for those bonds has been removed from the general long-term debt account and the \$450,000 liability for those bonds has been removed from the business-type activity funds. Additionally, as a result, the April 15, 2010 general obligation bonds maturing on or after April 1, 2021 are considered to be defeased and the \$4,240,000 liability for those bonds has been removed from the general long-term debt account and the \$910,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the November 15, 2008 and April 15, 2010 general obligation bonds to reduce its total debt service payments over the next 13 years by almost \$1,014,772 and to obtain an economic gain of \$881,602 representing the difference between the present values of the debt service payments on the old and new debt.

NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City owned and operated a 55-acre landfill on Tolend Road from 1960 to 1979. On September 10, 1991, the Environmental Protection Agency issued a Record of Decision (ROD) on the closure of the site, including the City as a Potentially Responsible Party (PRP). The estimated cost of the original ROD for closure and post closure maintenance was \$34,612,296. The City was responsible for 42.68% of the costs. The City negotiated its preliminary share at \$8,166,666 of the first \$20 million. Thirty-two PRPs made final settlement on all costs related to the closure with EPA. Based on this information, the City established an estimated \$11,016,013 liability for its share of the capping and management of mitigation costs. As of June 30, 2013, 100% of the landfill's total capacity has been used.

Notes to Financial Statements

June 30, 2018

NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS - CONTINUED

The City funded and paid its share of the capping design of \$1,257,357. The City also funded the ongoing project costs over the years with \$2,213,142 in transfers from operational funds, \$2,900,000 from bond authorizations and \$1,237,229 from various sources, including state aid, insurance proceeds, and a payment from the Town of Madbury.

The City entered negotiations with the EPA and the State of New Hampshire Department of Environmental Services to implement an alternative to the closure capping. The new technique involves an air sparging trench along the down gradient edge of the landfill which will treat contaminated ground water. This alternative carries significant savings versus conventional capping. The City received approval for a pilot program to determine the effectiveness of this method. As a result, the City received a four-year deferral of the capping requirement from EPA.

An Amended Record of Decision (AROD) from EPA was issued on September 30, 2004 to change the closure method with an estimated cost of \$19,393,859, including estimates for post closure maintenance. The City's new liability was estimated to be \$8,663,966 for the alternative closure method using the same cost sharing percentage of 42.68%. This new estimate was \$7,625,525 for the construction of the closure remedy and \$1,038,441 for post closure maintenance.

Since FY2005, the \$8,663,966 liability was reduced by the amount of annual expenditures incurred for the air sparge and soil vapor extraction closure remedy. These expenditures have been funded from bond proceeds.

In January 2012, the construction of the source control remedy was completed. This construction consisted of two separate components, the groundwater extraction system and the sewer conveyance system. The groundwater extraction system is designed to intercept contaminated groundwater emanating from beneath the former landfill; the groundwater is then conveyed to the City's wastewater treatment plant for treatment.

The groundwater extraction system has been operational for six years. The EPA Five Year Review had five specific recommendations for additional work that is estimated to add \$300,000 in cost to the 2018 budget. The results of the additional work may result in additional costs going forward. Two new contaminants have become a national concern for EPA and the Tolend landfill is being required to sample for these contaminants in the landfill and in the extended plumes. Depending on whether they are found during the sampling and level of concentrations, additional related work may result in future years.

The annual operations and maintenance costs for FY2018 was \$1,145,000 annually with the City being responsible for 42.68% or \$488,686. Therefore, the City adjusted the landfill closure liability to reflect an estimate of \$14,660,580 for 30 year estimate of post closure operations of the groundwater extraction and sewer conveyance systems. Therefore, as of June 30, 2018 the City adjusted the landfill closure liability to reflect an estimate of \$14,660,580 for 30 year estimate of post closure costs. The City is expecting to fund its share of post closure costs through the annual operating budget.

The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations.

NOTE 14 – RESTRICTED NET POSITION

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.

Notes to Financial Statements

June 30, 2018

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Outstanding Lawsuits

There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole and any liabilities incurred would be substantially covered by insurance.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

County Assessment

City's property tax assessment is approximately 28% of Strafford County's total assessment. Strafford County had a \$50,347 unassigned General Fund Balance surplus on December 31, 2017, per the most recent financial statements available.

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS PLAN

The City has two OPEB plans which employees participate in for which separate disclosure information is provided below.

City of Dover Retiree Group Health Insurance Plan

Plan Description

The City pays toward the cost of health care benefits for certain qualified retirees enrolled at the time of retirement and their eligible dependents (Retiree Group). The City will also pay toward the cost of health care benefits for certain current employees and eligible dependents upon retirement. The City provides post-employment health care benefits for retired employees through the City's single employer benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by NH RSA 100-A:50. The City has contracted with an actuarial consultant to provide the actuarial valuation of the City's OPEB liability under GASB 75. The Plan does not issue a separate audited financial report.

Benefits Provided

The City provides medical, dental, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents who meet certain eligibility criteria.

Current retirees have their health care benefit cost paid by the City if they retired while enrolled in the City's Group Health Insurance program and had a minimum of 20 years of continuous creditable service with the City. Current employees are eligible for City cost participation when they retire only if they meet the same enrollment and service criteria and were hired on or before May 30, 2000, depending on the bargaining unit.

Employees who retire from the City under the New Hampshire Retirement System (NHRS) and participated in the City's Group Health Insurance Program at the time of retirement, but who are not eligible for any City retiree health care benefit cost coverage, may also join the Retiree Group. Coverage will continue for themselves and their eligible dependents at their own expense in accordance with state statute (NH RSA 100-A:50).

Notes to Financial Statements

June 30, 2018

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

Covered Employees

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	126
Active plan members	614
Total plan members	740

Funding Policy and On-Behalf Payments

Retirees contribute various percentages of the cost of the health plan, as determined by the City. The City contributes the remainder of the health plan costs on a pay-as-you-go basis.

The retiree health care benefit cost to the City is lessened by subsidies received by retirees from the NHRS. Health care benefit costs are reduced significantly upon a retiree or their dependents attaining the age of 65, at which time they become eligible for Medicare and are changed to a Medicare supplement plan.

The City's cost of health care benefits to retirees, less any subsidies paid by the New Hampshire Retirement System and any withholdings from the retirees, was \$1,713,153 for the year ended June 30, 2018.

For the fiscal year ended June 30, 2018, \$608,124 was recorded as revenues and expenditures in the General Fund relative to on-behalf payment received from the state.

OPEB Trust assets have been set aside by the City, and are invested in common with the other trust funds maintained by the City, to pre-fund the City's portion of the OPEB liability; the SAU (School Department) has not set aside any funds to pre-fund the SAU's portion of their liability.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The components of the net OPEB liability as of June 30, 2018 were as follows:

Total OPEB liability	\$45,949,793
OPEB plan fiduciary net position	(6,919,804)
Net OPEB Liability	\$39,029,989
Plan fiduciary net position as a percentage of total OPEB liability	15.06%

Actuarial Assumptions. Actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study during 2008. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, average
Investment rate of return	6.0%, net of Plan investment expense
Healthcare cost trend rates	8.0% for 2018, decreasing 0.5% per year to an ultimate rate of 4.5% for 2026 and later years

Mortality rates were based on the RPH-2015 total dataset mortality table fully generational using scale MP-2015.

Notes to Financial Statements

June 30, 2018

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

Net OPEB Liability – Continued

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	40% - 60%	3.0%
Fixed income	40% - 60%	1.0%
Inflation hedge	0% - 10%	3.0%
Cash	0% - 10%	0.0%

Discount Rate. The discount rate used to measure the total OPEB liability was 6.0%. This is based on a projection of cash flows which assumed the City would continue to pay the annual pay as you go cost using its general fund and the OPEB Trust would continue to accumulate assets and start paying the pay as you go costs after 2033. The 6.0% discount rate is a blend of a 3.62% interest discount factor, based on the Fidelity 20-Year Go Municipal Bond Index as of June 30, 2018, and a 6.0% expected rate of return investment strategy on the OPEB Trust.

Changes in the Net OPEB Liability

Changes in the City's net OPEB liability were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] – [b]
Balances at July 1, 2017	\$43,629,967	\$ 5,416,493	\$38,213,474
Changes for the year:			
Service cost	499,278		499,278
Interest	2,537,472		2,537,472
Changes in assumptions	1,278,775		1,278,775
Changes in benefit terms			
Difference between expected and actual experience	(351,420)		(351,420)
Contributions – employer		2,898,379	(2,898,379)
Net investment income		298,278	(298,278)
Benefit payments	(1,644,279)	(1,644,479)	200
Administrative expense		(48,867)	48,867
Net changes	2,319,826	1,503,311	816,515
Balances, June 30, 2018	\$45,949,793	\$ 6,919,804	\$39,029,989

Notes to Financial Statements

June 30, 2018

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

Changes in the Net OPEB Liability – Continued

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.0%) or 1 percentage point higher (7.0%) than the current discount rate:

	1% Decrease (5.0%)	Discount Rate (6.0%)	1% Increase (7.0%)
Net OPEB liability	\$45,486,570	\$39,029,989	\$33,732,836

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates. The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 3.5%) or 1 percentage point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (8.0% decreasing to 4.5%)	1% Increase (9.0% decreasing to 5.5%)
Net OPEB liability	\$33,593,692	\$39,029,989	\$45,645,844

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$1,337,242. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$10,414,140
Changes of assumptions	\$ 4,613,925	1,614,940
Net difference between projected and actual earnings on Plan investments	256,722	
Total	\$ 4,870,647	\$12,029,080

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense, as follows

Year ending June 30,

2019	\$ 1,327,758
2020	1,327,757
2021	1,356,993
2022	1,390,450
2023	215,707
Thereafter	1,539,768
Total	\$ 7,158,433

Notes to Financial Statements

June 30, 2018

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

State of New Hampshire Retirement System Group Health Insurance Plan

Plan Description

The City also participates in a second other post-retirement benefit (OPEB) plan that provides health insurance (Health Plan) to retiring employees. The Health Plan is a cost-sharing multiple – employer OPEB plan administered by New Hampshire Retirement System (NHRS). Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52 RSA 100-A:52-a and RSA 100-A:52b) and members are designated in statute by type.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. Additional information is disclosed in the System's annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

Benefits Provided

The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. The OPEB plan is closed to new entrants.

The eligibility requirements for receiving OPEB Plan benefits differ from Group I and Group II members. The monthly Medical Subsidy rates are:

1 Person -	\$375.56
2 Person -	\$751.12
1 Person Medicare Supplement -	\$236.84
2 Person Medicare Supplement -	\$473.68

Plan Membership. At June 30, 2018, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10,160
Active employees	2,843
	<u>13,003</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City's total OPEB liability of \$7,378,922 was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016.

Notes to Financial Statements

June 30, 2018

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

For the year ended June 30, 2018, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$567,691. At June 30, 2018, the City's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments		\$ 23,284
Changes in proportion and differences between City premiums and proportionate share of premiums	\$ 9,257	
City contributions subsequent to the measurement date	734,647	
Total	<u>\$ 743,904</u>	<u>\$ 23,284</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	\$ 3,436
2020	(5,821)
2021	(5,821)
2022	(5,821)
Total	<u>\$ (14,027)</u>

The \$734,647 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ending June 30, 2019.

Actuarial assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

General inflation of 2.5% was used along with an aggregate wage inflation of 3.25%, salary increases of 5.6% average, including inflation, and investment rate of return of 7.25% net of OPEB plan investment expense, including inflation). Mortality rates were based on the RP-2014 Healthy Annuitant and Employee Generational Mortality Tables for Males or Females with credibility adjustments, adjusted for fully generational mortality improvements using scale MP-2015, based on the last experience study.

The discount rate was based on high quality AA or higher bond yields in effect for 20-year, tax exempt general obligation municipal bonds using the Bond Buyer index.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study, conducted by the New Hampshire Retirement System, for the period July 1, 2010 through June 30, 2015.

Notes to Financial Statements

June 30, 2018

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

Actuarial assumptions – Continued

The long-term expected rate of return on OPEB plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and geometric real rates of return for each asset class are summarized in the following table:

Asset Class	Target Allocation Percentage		Weighted Average Average Long- Term Expected Real Rate of Return	
Large Cap Equities	22.50	%	4.25	%
Small/Mid Cap Equities	7.50		4.50	
Total domestic equities	30.00			
Intl Equities (unhedged)	13.00		4.50	
Emerging Intl Equities	7.00		6.25	
Total international equities	20.00			
Core Bonds	5.00		0.75	
Short Duration	2.00		-0.25	
Global multi-sector	11.00		2.11	
Absolute return	7.00		1.26	
Total fixed income	25.00			
Private equity	5.00		6.25	
Private debt	5.00		4.75	
Opportunistic	5.00		2.84	
Total alternative investments	15.00			
Real estate	10.00		3.25	
Total	100.00	%		

Sensitivity of the total OPEB liability to changes in the discount rate

The following table shows how the total OPEB liability would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate used for the Health Plan is 7.25%.

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Total OPEB liability	\$ 8,030,461	\$ 7,378,922	\$ 6,814,412

Because the benefits are fixed stipends, there is no impact on the OPEB liability related to health care trend rates.

Notes to Financial Statements

June 30, 2018

NOTE 17 – SELF-INSURANCE

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Effective July 1, 2014, the City is insured for workers' compensation through the Public Risk Management Exchange (Primex). Any claims incurred prior to July 1, 2014 are covered under the City's self-insured worker's compensation program. Under the terms of its insurance coverage, the City is liable for \$500,000 per incident. The insurer's limit of liability is \$1,000,000. The City does not carry any aggregate insurance. Funding of the workers' compensation internal service fund is through charges levied to the general, special revenue and enterprise funds.

Claims Liability

The following represents changes in the Workers' Compensation claims liability:

	Year Ended June 30, 2018	Year Ended June 30, 2017
Unpaid claims, beginning of fiscal year	\$ 234,000	\$ 266,000
Claims incurred (including IBNRs)	14,390	98,999
Claims paid	(99,390)	(130,999)
Unpaid claims, end of fiscal year	<u>\$ 149,000</u>	<u>\$ 234,000</u>

The City adopted a policy to maintain 100% funding for an actuarially determined claims liability based on a 65% confidence level. Out of \$149,000 claims liability as of June 30, 2018, approximately \$39,000 is estimated to be due within one year.

NOTE 18 – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

NOTE 19 – PENSION PLAN

The City follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

Plan Description

Full-time employees participate in the State of New Hampshire Retirement System (the System), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation. The plan covers 471 participating employers.

Notes to Financial Statements

June 30, 2018

NOTE 19 – PENSION PLAN – CONTINUED

Plan Description – Continued

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the System's annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by $\frac{1}{4}$ of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earned compensation and/or service.

Employee membership data related to the Plan as of June 30, 2017 was as follows:

Retirees and beneficiaries	35,694
Inactive, non-retired members	12,758
Active members	47,886
	<u>96,338</u>

For the year ended June 30, 2018, the City's total payroll for all employees was \$49,569,579. Total covered payroll was \$39,861,835. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

Notes to Financial Statements

June 30, 2018

NOTE 19 – PENSION PLAN – CONTINUED

Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees and teachers, 11.55% for police and 11.80% for fire. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 11.38% to 31.89% of covered compensation. The City's contribution to the System for the year ended June 30, 2018 was \$6,742,902, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the City reported a liability of \$76,583,835 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was based on a roll-forward of the June 30, 2016 actuarial valuation. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the City's proportion was 1.548 percent.

At the most recent measurement date of June 30, 2017, the City's proportion was 1.557 percent, which was an increase of .009 from its proportion measured as of June 30, 2016.

Notes to Financial Statements

June 30, 2018

NOTE 19 – PENSION PLAN – CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

For the year ended June 30, 2018, the City recognized pension expense of \$9,095,057. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 173,648	\$ 974,692
Net difference between projected and actual earnings on pension plan investments		975,334
Changes in assumptions	7,690,028	
Changes in proportion and differences between contributions and proportionate share of contributions	2,997,244	45,706
Contributions subsequent to the measurement date	6,742,902	
Total	<u>\$ 17,603,822</u>	<u>\$ 1,995,732</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ended June 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources (netted when necessary) related to pensions will be recognized in pension expense, as follows:

Year ended June 30:	
2018	\$ 2,381,034
2019	4,261,917
2020	3,343,909
2021	(1,121,672)
Total	<u>\$ 8,865,188</u>

Actuarial Assumptions

The total pension liability was determined by rolling forward of the actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017, using the following actuarial assumption:

Inflation	2.5 percent per year
Salary increases	5.6 percent average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

Notes to Financial Statements

June 30, 2018

NOTE 19 – PENSION PLAN – CONTINUED

Actuarial Assumptions – Continued

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation Percentage		Weighted Average Average Long- Term Expected Real Rate of Return	
Large Cap Equities	22.50	%	4.25	%
Small/Mid Cap Equities	7.50		4.50	
Total domestic equities	30.00			
Intl Equities (unhedged)	13.00		4.75	
Emerging Intl Equities	7.00		6.25	
Total international equities	20.00			
Core Bonds	5.00		0.75	
Short Duration	2.00		-0.25	
Global multi-sector	11.00		2.11	
Absolute return	7.00		1.26	
Total fixed income	25.00			
Private equity	5.00		6.25	
Private debt	5.00		4.75	
Opportunistic	5.00		2.84	
Total alternative investments	15.00			
Real estate	10.00		3.25	
Total	100.00	%		

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective total pension liability.

Notes to Financial Statements

June 30, 2018

NOTE 19 – PENSION PLAN – CONTINUED

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$100,895,359	\$76,583,835	\$56,661,504

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS financial report.

NOTE 20 – DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The following is a summary of deferred outflows of resources and deferred inflows of resources as reported in the statement of net position as of June 30, 2018:

	Governmental Activities	Business-Type Activities
Deferred outflows from the pension plan	\$ 17,118,250	\$ 485,575
Deferred outflows from OPEB	4,530,421	340,226
Deferred outflows from OPEB NH Group Healthcare	743,904	
Deferred outflows from deferred loss on refunding	1,127,565	878,959
Total deferred outflows	<u>\$ 23,520,140</u>	<u>\$ 1,704,760</u>
Deferred inflows from the pension plan	\$ 1,940,683	\$ 55,050
Deferred inflows from OPEB	11,118,821	840,258
Deferred inflows from OPEB NH Group Healthcare	23,284	
Total deferred inflows	<u>\$ 13,152,788</u>	<u>\$ 895,308</u>

NOTE 21 – OPERATING LEASE REVENUE

The City leases office space in the McConnell Center to several organizations. The leases expire at various years through the year 2031. The cost of the assets held for lease as of June 30, 2018 was \$8,545,663 accumulated depreciation was \$2,443,397 and the net book value was \$6,102,266. Approximately 40% of the square footage of the building is being leased to third parties with the remainder of the building being used by the City. Future non-cancelable lease revenue under these leases as of June 30, 2018 is as follows:

Years Ending,	Amount
2019	\$ 300,628
2020	272,733
2021	121,782
2022	121,782
2023	121,782
Thereafter	876,792
Total	<u>\$ 1,815,499</u>

Notes to Financial Statements

June 30, 2018

NOTE 22 – FUND BALANCE

The following is a schedule of fund balance classifications for the governmental funds as of June 30, 2018:

	General Fund	CIP FY16	Nonmajor Governmental Funds
Nonspendable			
Permanent funds			\$ 2,418,380
Inventory	\$ 2,106		80,761
	<u>2,106</u>		<u>2,499,141</u>
Restricted			
Permanent funds income			208,555
Capital projects funds		\$ 9,437,859	2,481,255
Special revenue funds			2,210,153
		<u>9,437,859</u>	<u>4,899,963</u>
Committed			
City benefit capital reserve	43,089		
School benefit capital reserve	61,077		
McConnell Center long-term advance	428,616		
Recreation programs funds			51,084
Other special revenue funds			6,301,214
Recreation field construction			282,540
Capital purchases fund			2,294,578
Recreation and school funds			1,135,014
	<u>532,782</u>		<u>10,064,430</u>
Assigned			
Encumbrances – city	2,043,866		
Encumbrances – school	782,831		
Carryover appropriations	255,355		
	<u>3,082,052</u>		
Unassigned	21,211,552		(7,586,805)
Total Fund Balances	<u>\$24,828,492</u>	<u>\$ 9,437,859</u>	<u>\$ 9,876,729</u>

Notes to Financial Statements

June 30, 2018

NOTE 23 – NET POSITION

Net Position Invested in Capital Assets

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable adding back any unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net position invested in capital assets, net of related debt was calculated as follows at June 30, 2018:

(In thousands)	Governmental Activities	Business-Type Activities
Capital assets	\$ 400,330	\$ 165,009
Accumulated depreciation	(137,738)	(70,620)
Bonds payable, total	(147,387)	(28,786)
Unspent bond proceeds	16,386	1,106
Unearned revenue*		(9,798)
Total invested in capital assets, net of related debt	<u>\$ 131,591</u>	<u>\$ 56,911</u>

* The City received funding for Water and Sewer Fund capital projects from the State of New Hampshire through a revolving renovation loan fund. The reimbursements received by the City have been recorded as unearned revenue and will be converted to a loan payable obligation upon completions of the projects. Refer to Note 12 for additional information.

NOTE 24 – TAX ABATEMENTS AND TAX INCREMENT FINANCING DISTRICTS

The City has created two tax increment finance districts (TIFD) approved by the State of New Hampshire statute municipal economic development and revitalization districts. These districts have been designated by the City to improve infrastructure development, marketing and promotion of the district and encourage new development.

The Downtown Dover TIFD creation is intended to help provide downtown parking for various users and support infill and economic development by providing public parking facilities and other public infrastructure improvements. The Downtown Dover TIFD is owned by the City and any revenue that is earned from this TIFD is used to pay debt service or will be accumulated in a special revenue account to be used for bond debt payments in the future. Property taxes are not being foregone or retired to a specific taxpayer, but remain with the City for debt service payments that relate to this TIFD. For the fiscal year ended June 30, 2018, the Downtown Dover TIFD had a total tax captured of \$401,109 that will be used for the purposes previously noted.

The Waterfront TIFD creation is intended to create a clean and readily developable site along the Cochecho River. The Waterfront TIFD is owned by the City and any revenue that is earned from this TIFD is used to pay debt service or will be accumulated in a special revenue account to be used for bond debt payments in the future. Property taxes are not being foregone or retired to a specific taxpayer, but remain with the City for debt service payments that relate to this TIFD. For the fiscal year ended June 30, 2018, the Waterfront TIFD had a total tax captured of \$91,008 that will be used for the purposes previously noted.

Notes to Financial Statements

June 30, 2018

NOTE 25 – RESTATEMENT

Beginning net position was reduced by \$6,827,183 as a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018.

Net position at July 1, 2017 was restated, as follows:

	Governmental Activities
Net position	
as previously reported	\$ 29,476,655
GASB No. 75 – NH Group Healthcare	(6,827,183)
Net position, as restated	<u>\$ 22,649,472</u>

Schedule of Funding Progress – City of Dover Retiree Group Health Insurance Plan – Required Supplementary Information

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

	2018	2017	2016
Total OPEB Liability			
Servicecost	\$ 499,278	\$ 618,562	\$ 738,313
Interest	2,537,472	2,654,521	2,096,703
Changes of benefit terms		(189,790)	
Difference between expected and actual experience	(351,420)	(4,907,820)	(9,089,639)
Changes of assumptions	1,278,775	(2,414,848)	4,713,618
Benefit payments	(1,644,279)	(1,677,040)	(1,302,070)
Net change in total OPEB liability	2,319,826	(5,916,415)	2,843,075
Total OPEB liability – beginning	43,629,969	49,546,382	52,389,457
Total OPEB – ending	45,949,793	43,629,969	49,546,382
Plan Fiduciary Net Position			
Contributions – employer	\$ 2,898,379	\$ 2,930,940	\$ 2,772,052
Net investment income	298,278	157,554	78,997
Benefit payments	(1,644,479)	(1,677,040)	(1,302,070)
Administrative expense	(48,867)	(38,133)	
Other			
Net change in plan fiduciary net position	1,503,311	1,373,321	1,548,979
Plan fiduciary net position – beginning	5,416,493	4,043,172	2,494,193
Plan fiduciary net position – ending	6,919,804	5,416,493	4,043,172
Net OPEB Liability – Ending	<u>\$39,029,989</u>	<u>\$38,213,476</u>	<u>\$45,503,210</u>
Plan fiduciary net position as a % on total OPEB liability	15.06%	12.41%	8.16%
Money-weighted rate of return on investments	6.90%	7.39%	3.59%
Covered employee payroll	\$33,579,168	\$31,478,114	\$30,561,275
Net OPEB liability as a % of covered payroll	116.24%	121.40%	148.89%

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

Schedule of Funding Progress – City of Dover Retiree Group Health Insurance Plan – Required Supplementary Information – Continued

Schedule of the City's Contributions to the OPEB Plan

	2018	2017	2016
Actuarially determined contribution	\$ 3,125,310	\$ 3,074,529	\$ 3,307,027
Contribution in relation to actuarially determined contribution	<u>2,898,379</u>	<u>2,930,940</u>	<u>2,674,772</u>
Contribution deficiency (excess)	<u>\$ 226,931</u>	<u>\$ 143,589</u>	<u>\$ 632,249</u>
Covered-employee payroll	\$33,579,168	\$31,478,114	\$30,561,275
Contributions as a percentage of covered payroll	8.63%	9.31%	8.75%

Notes to Required Supplementary Information

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal level percentage of salary
Amortization method	Level dollar
Remaining amortization period	24 years
Asset valuation method	Market value of asset
Inflation	3.0%
Healthcare cost trend rates	8.0% initial, decreasing 0.5% per year to an ultimate rate of 4.5%
Salary increases	3%, average, including inflation
Investment rate of return	7%, net of Plan investment expense, including inflation

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

Schedule of Proportionate Share of Net OPEB Liability – New Hampshire Retirement System Group Health Insurance Plan – Required Supplementary Information

State of New Hampshire Retirement System						
Fiscal Year	Valuation Date	City Proportion of the Net OPEB Liability	City Proportionate Share of the Net OPEB Liability	Covered Payroll	City Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	6/30/17	\$7,378,922	1.614%	\$ 39,861,835	18.5%	7.91%
2017	6/30/16	\$7,781,769	1.607%	\$ 38,874,038	20.0%	5.21%

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

Schedule of Contributions – New Hampshire Retirement System Group Health Insurance Plan – Required Supplementary Information

State of New Hampshire Retirement System						
Fiscal Year	Valuation Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2018	6/30/17	\$734,647	\$734,647	\$0	\$39,861,835	1.8%
2017	6/30/16	\$954,586	\$954,586	\$0	\$38,874,038	2.5%

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

Schedule of Proportionate Share of Net Pension Liability Required Supplementary Information

State of New Hampshire Retirement System

Fiscal Year	Valuation Date	City Proportion of the Net Pension Liability	City Proportionate Share of the Net Pension Liability	Covered Payroll	City Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	6/30/17	\$ 76,583,835	1.557%	\$ 39,861,835	192.1%	62.7%
2017	6/30/16	\$ 82,317,550	1.548%	\$ 38,874,038	211.8%	58.3%
2016	6/30/15	\$ 57,935,100	1.462%	\$ 37,720,100	153.6%	65.5%
2015	6/30/14	\$ 53,853,578	1.435%	\$ 35,731,344	150.7%	66.3%

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

Schedule of Contributions Required Supplementary Information

State of New Hampshire Retirement System

Year	Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2018	6/30/17	\$ 6,742,902	\$ 6,742,902	\$0	\$ 39,861,835	16.9%
2017	6/30/16	\$ 5,697,818	\$ 5,697,818	\$0	\$ 38,874,038	14.7%
2016	6/30/15	\$ 5,237,693	\$ 5,237,693	\$0	\$ 37,720,100	13.9%
2015	6/30/14	\$ 4,929,300	\$ 4,929,300	\$0	\$ 35,731,344	13.8%

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

(This page intentionally left blank.)

Combining Financial Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- **Community Development Fund** – To account for grant proceeds received from the U.S. Department of Housing and Urban Development under the Community Development Block Grant (CDBG) program and the related program and subgrant expenditures.
- **CDBG Recovery Fund** – To account for the ARRA grant proceeds related to the CDBG program.
- **Housing and Urban Development** - To account for grant proceeds received from the US Dept. of Housing and Urban Development to develop new or revised land use and planning regulations.
- **Housing Rehabilitation Loan Fund** – To account for loans given to low and moderate income individuals for the purpose of improving their private dwellings.
- **Economic Development Loan Fund** – To account for loans given to small business for the purpose of business establishment or expansion.
- **Police DOJ Fund** – To account for grant proceeds from the U.S. Department of Justice for various drug and alcohol awareness and prevention programs.
- **Homeland Security Fund** – To account for grant proceeds from the U.S. Department of Homeland Security for equipment purchases.
- **Police DHA Fund** – To account for funds received from the Dover Housing Authority for payment toward funding a Police Officer presence at their housing area.
- **Police DOT Fund** – To account for grant proceeds from the U.S. Department of Transportation for various driving safety programs.
- **DHHS Assistance Programs** – To account for grant proceeds for at-risk youth in the community passed through Department of Health and Public Welfare.
- **Police Youth Tobacco & Alcohol Awareness Fund** – To account for grant proceeds of various tobacco and alcohol awareness and prevention programs.
- **Emergency Management Fund** – To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.

- **Radiological Emergency Response** – To account for grant proceeds related to emergency preparedness for Seabrook radiological response.
- **DOI Fund - National park Programs** – To account for grant proceeds from the U.S. Department of the Interior for various programs.
- **Department of Commerce - Coastal Programs:** To account for grant proceeds from the U.S. Department of Commerce National Oceanic & Atmospheric Administration (NOAA) Coastal Management Program to promote floodplain awareness and management.
- **EPA Fund** – To account for grant proceeds from the U.S. Environmental Protection Agency for various programs.
- **School Cafeteria Fund** – To account for cafeteria operations of the Dover School system, including reimbursement from the U.S. Department of Education and receipt of U.S. Department of Agriculture food commodities.
- **NEA Fund - National Endowment for the Arts** – To account for grant proceeds from the National Endowment of the Arts for various programs used to develop and maintain partnerships with state and jurisdictional art agencies.
- **School Federal Aid Fund** – To account for grants received from the U.S. Department of Education for various programs supporting School operations.
- **School Special Programs Fund** – To account for Healthy Universal Beginnings program and ancillary education programs supported by the Dover School system and funded mainly by non-federal grants.
- **Dover Main Street Fund** – To account for the expenditures related to the Main Street Program, reimbursed by Dover Main Street, Inc.
- **Planning Improvements Fund** – To account for the funds received pursuant to Planning Board conditions for approval and held for related offsite improvements or other expenditures.
- **Police and Fire Detail** – To account for police and fire outside detail activity.
- **Parking Activity Fund** – To account for revenues of all parking lots, leased parking spaces and metered parking and expenditures of enforcement, lighting and snow removal.
- **Police Special Fund** – To account for forfeiture proceeds and special investigative expenditures.
- **Fire Special Projects Fund** – To account for special purpose grants awarded to the fire department.

- **Conservation Fund** – To account for the proceeds of current use (land change) penalties and the purchase of land or easements for conservation purposes.
- **Residential Solid Waste Fund** – To account for revenue from the sale of garbage bags and waste tags to local outlets for resale to the public and the expenditures or residential solid waste pickup and disposal.
- **McConnell Center Fund** – To account for the operations and maintenance of the McConnell Center facility and revenues from the leasing of space to 501(c)3 organizations and City and State organizations.
- **Recreation Programs Fund** – To account for the revenue and expenditures of self-supporting recreational programs.
- **Recreation Field Maintenance Fund** – to account for 10% of the proceeds of the sale of the City gravel for use to maintain recreation fields.
- **Library Fines Fund** – To account for revenue assessed on late return of books for use to purchase books, periodicals, etc. for the Public Library.
- **Downtown Dover TIF Fund** – To account for funds collected in accordance with the tax increment financing plan established in March 2014 for repayment of bonds issued for construction of the Orchard Street Parking Garage and other capital improvements within the district as approved by City Council.
- **Waterfront TIF District Fund** - To account for funds collected in accordance with the tax increment financing plan established in February 2015 to facilitate development of a city owned parcel off River Street by funding improvements and utility work as approved by the City Council.
- **Tuition Programs Fund** – To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.
- **Vocational Center Fund** – To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.
- **School Alternative Education Fund** – To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.
- **School Facilities Fund** – To account for gate receipts used toward the cost of facility maintenance and upgrades.
- **Other Special Revenue Funds** – To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.

Capital Project Funds

- **CIP FY19** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2019 of the Capital Improvements Program.
- **CIP FY18** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2018 of the Capital Improvements Program.
- **CIP FY17** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2017 of the Capital Improvements Program.
- **CIP FY15** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2015 of the Capital Improvements Program.
- **CIP FY14** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2014 of the Capital Improvements Program.
- **CIP FY13** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2013 of the Capital Improvements Program.
- **CIP FY12** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2012 of the Capital Improvements Program.
- **CIP FY11** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2011 of the Capital Improvements Program.
- **CIP FY10** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2010 of the Capital Improvements Program.

- **CIP FY09** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2009 of the Capital Improvements Program.
- **CIP FY08** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2008 of the Capital Improvements Program.
- **CIP FY07** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2007 of the Capital Improvements Program.
- **CIP FY06** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2006 of the Capital Improvements Program.
- **CIP FY05** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2005 of the Capital Improvements Program.
- **CIP FY04** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2004 of the Capital Improvements Program.
- **CIP FY03** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2003 of the Capital Improvements Program.
- **CIP FY02** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2002 of the Capital Improvements Program.
- **CIP FY01** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2001 of the Capital Improvements Program.

- **CIP FY00** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2000 of the Capital Improvements Program.
- **Tolend Road Landfill Closure** – To account for the revenues from bond and loan proceeds, insurance proceeds, and federal and state grant funding and the related expenditures for the design and construction costs of the closure of a landfill containing hazardous waste.
- **Cocheco River Dredge** – To account for the revenue from bond anticipation note proceeds and revenue from the placement of dredge spoils and the related expenditures for the design, construction and closure costs of a dredge spoils cell for the Cocheco River.
- **Recreation Field Construction** – To account for the revenue from the sale of gravel and the related expenditures for authorized recreation or other qualified projects.
- **Capital Purchases Fund** – To account for revenue transferred from the general fund for the purpose of capital acquisitions.

(This page intentionally left blank.)

Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2018

	Special Revenue Funds				
	Community Development Fund	CDBG Recovery Fund	Housing and Urban Development	Housing Rehab Loan Fund	Economic Development Loan Fund
ASSETS					
Cash and short-term investments					
Investments					
Departmental receivable					
Intergovernmental receivables					
Loans receivable				\$ 128,115	\$ 63,290
Due from other funds		\$ 131,086	\$ 10,954	315,441	
Inventory					
Other					
Total Assets		\$ 131,086	\$ 10,954	\$ 443,556	\$ 63,290
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 8,848		\$ 4,999	\$ 82	\$ 154
Accrued liabilities	1,168				
Retainage payable					
Unearned revenue					
Due to other funds	319,930				45,839
Advance from other fund					
Compensated absences					
Total Liabilities	329,946		4,999	82	45,993
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue - long-term receivables				128,116	342,484
Fund Balances:					
Nonspendable					
Restricted		\$ 131,086	\$ 5,955	\$ 315,358	
Committed					
Assigned					
Unassigned	\$ (329,946)				\$ (325,187)
Total Fund Balances (Deficit)	(329,946)	131,086	5,955	315,358	(325,187)
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$	\$ 131,086	\$ 10,954	\$ 443,556	\$ 63,290

Special Revenue Funds

Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund	Radiological Emergency Response
\$ 138,717	\$ 11,966	\$ 11,750	\$ 124,383	\$ 28,650	\$ 184,336	\$ 424,812	\$ 36,879
<u>\$ 138,717</u>	<u>\$ 11,966</u>	<u>\$ 11,750</u>	<u>\$ 124,383</u>	<u>\$ 28,650</u>	<u>\$ 184,336</u>	<u>\$ 424,812</u>	<u>\$ 36,879</u>
		\$ 1,429	\$ 8,781	38	\$ 948		
						\$ 23,447	
		<u>1,429</u>	<u>8,781</u>	<u>38</u>	<u>948</u>	<u>23,447</u>	
\$ 138,717	\$ 11,966	\$ 10,321		\$ 28,612	\$ 183,388	\$ 401,365	\$ 36,879
<u>138,717</u>	<u>11,966</u>	<u>10,321</u>	<u>\$ 115,602</u>	<u>28,612</u>	<u>183,388</u>	<u>401,365</u>	<u>36,879</u>
<u>\$ 138,717</u>	<u>\$ 11,966</u>	<u>\$ 11,750</u>	<u>\$ 124,383</u>	<u>\$ 28,650</u>	<u>\$ 184,336</u>	<u>\$ 424,812</u>	<u>\$ 36,879</u>

Special Revenue Funds

	DOI Fund	Department of Commerce	EPA Fund	National Endowment for the Arts	School Cafeteria Fund	School Federal Aid Fund	School Special Programs Fund	Dover Main Street Fund
ASSETS								
Cash and short-term investments					\$ 126,910			
Investments								
Departmental receivable					35,670			\$ 5,233
Intergovernmental receivables					51,023	\$ 570,708		
Loans receivable								
Due from other funds			\$ 6,324	\$ 850	86,341		\$ 87,820	
Inventory					55,759			
Other								30,000
Total Assets			\$ 6,324	\$ 850	\$ 355,703	\$ 570,708	\$ 87,820	\$ 35,233
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable					\$ 227			
Accrued liabilities					730	\$ 98,140	\$ 11,907	
Retainage payable								
Unearned revenue					41,332			
Due to other funds	\$ 143,410	\$ 12				430,448		\$ 54,148
Advance from other fund								
Compensated absences								
Total Liabilities	143,410	12			42,289	528,588	11,907	54,148
DEFERRED INFLOW OF RESOURCES								
Unavailable revenue - long-term receivables							56,671	
Fund Balances:								
Nonspendable					\$ 55,759			
Restricted				\$ 850	257,655	\$ 42,120	\$ 19,242	
Committed								
Assigned								
Unassigned	\$ (143,410)	\$ (12)	\$ 6,324					\$ (18,915)
Total Fund Balances (Deficit)	(143,410)	(12)	6,324	850	313,414	42,120	19,242	(18,915)
Total Liabilities and Fund Balances	\$	\$	\$ 6,324	\$ 850	\$ 355,703	\$ 570,708	\$ 87,820	\$ 35,233

Special Revenue Funds

Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund	Fire Special Projects Fund	Conservation Fund	Residential Solid Waste Fund	McConnell Center Fund
		\$ 127,560					
\$ 183,973	\$ 55,153	218			\$ 70	\$ 59,209	\$ 878
		1,496	\$ 77,451	\$ 174,348	109,693	1,060,196 25,002	
<u>\$ 183,973</u>	<u>\$ 55,153</u>	<u>\$ 129,274</u>	<u>\$ 77,451</u>	<u>\$ 174,348</u>	<u>\$ 109,763</u>	<u>\$ 1,144,407</u>	<u>\$ 878</u>
		\$ 6,681 4,750		\$ 1,622	\$ 750	\$ 62,692 3,333	\$ 6,422 3,042
	391					540,306	427,299
	840	11,431		1,622	750	606,331	436,763
\$ 183,973	\$ 54,313	\$ 117,843	\$ 77,451	\$ 172,726	\$ 109,013	\$ 25,002 513,074	
<u>183,973</u>	<u>54,313</u>	<u>117,843</u>	<u>77,451</u>	<u>172,726</u>	<u>109,013</u>	<u>538,076</u>	<u>\$ (435,885)</u> <u>(435,885)</u>
<u>\$ 183,973</u>	<u>\$ 55,153</u>	<u>\$ 129,274</u>	<u>\$ 77,451</u>	<u>\$ 174,348</u>	<u>\$ 109,763</u>	<u>\$ 1,144,407</u>	<u>\$ 878</u>

	Special Revenue Funds							
	Recreation Programs Fund	Recreation Field Maintenance Fund	Library Fines Fund	Downtown Dover TIF Fund	Waterfront TIF District Fund	Tuition Programs Fund	Vocational Center Fund	School Alternative Education Fund
ASSETS								
Cash and short-term investments								
Investments								
Departmental receivable						\$ 3,709		
Intergovernmental receivables								
Loans receivable								
Due from other funds	\$ 68,261	\$ 6,927	\$ 21,174	\$ 8,336	\$ 311,801		\$ 906	\$ 359,981
Inventory								
Other								
Total Assets	<u>\$ 68,261</u>	<u>\$ 6,927</u>	<u>\$ 21,174</u>	<u>\$ 8,336</u>	<u>\$ 311,801</u>	<u>\$ 3,709</u>	<u>\$ 906</u>	<u>\$ 359,981</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 7,244		\$ 347					
Accrued liabilities	9,933							
Retainage payable								
Unearned revenue								
Due to other funds						\$ 10,583		\$ 361,134
Advance from other fund								
Compensated absences								
Total Liabilities	<u>17,177</u>		<u>347</u>			<u>10,583</u>		<u>361,134</u>
DEFERRED INFLOW OF RESOURCES								
Unavailable revenue - long-term receivables								
Fund Balances:								
Nonspendable								
Restricted			\$ 20,827	\$ 8,336				
Committed	\$ 51,084	\$ 6,927			\$ 311,801		\$ 906	
Assigned								
Unassigned						\$ (6,874)		\$ (1,153)
Total Fund Balances (Deficit)	<u>51,084</u>	<u>6,927</u>	<u>20,827</u>	<u>8,336</u>	<u>311,801</u>	<u>(6,874)</u>	<u>906</u>	<u>(1,153)</u>
Total Liabilities and Fund Balances	<u>\$ 68,261</u>	<u>\$ 6,927</u>	<u>\$ 21,174</u>	<u>\$ 8,336</u>	<u>\$ 311,801</u>	<u>\$ 3,709</u>	<u>\$ 906</u>	<u>\$ 359,981</u>

Special Revenue Funds			Capital Projects Funds							
School Facilities Fund	Other Special Revenue Funds	Special Revenue Funds Subtotals	CIP FY 19	CIP FY 18	CIP FY 17	CIP FY 15	CIP FY 14	CIP FY 13	CIP FY 12	CIP FY 11
	\$ 4,948,363	\$ 5,202,833								
	11,193,167	11,193,167								
\$ 5,406	302,701	468,247								
		621,731								
		191,405								
179,057		4,163,909	\$ 291,264	\$ 626,387		\$ 1,130,628	\$ 603,581			\$ 557,150
		80,761								
		30,000								
<u>\$ 184,463</u>	<u>\$ 16,444,231</u>	<u>\$ 21,952,053</u>	<u>291,264</u>	<u>626,387</u>		<u>1,130,628</u>	<u>603,581</u>			<u>\$ 557,150</u>
	\$ 3,613	\$ 114,877	\$ 38,251	\$ 36,892	\$ 965,309	\$ 119	\$ 80,070		\$ 11,021	\$ 582
		133,452			178,416		61,261			
	7,512,469	64,779			3,101,415			\$ 242,984	1,036,913	
		9,418,670								
		427,299								
	<u>7,516,082</u>	<u>10,159,077</u>	<u>38,251</u>	<u>36,892</u>	<u>4,245,140</u>	<u>119</u>	<u>141,331</u>	<u>242,984</u>	<u>1,047,934</u>	<u>582</u>
		527,271								
	\$ 2,418,380	\$ 2,499,141								
	208,555	2,418,708								\$ 556,568
\$ 184,463	6,301,214	7,487,312								
		(1,139,456)	253,013	\$ 589,495	\$ (4,245,140)	\$ 1,130,509	\$ 462,250	\$ (242,984)	\$ (1,047,934)	
<u>184,463</u>	<u>8,928,149</u>	<u>11,265,705</u>	<u>253,013</u>	<u>589,495</u>	<u>(4,245,140)</u>	<u>1,130,509</u>	<u>462,250</u>	<u>(242,984)</u>	<u>(1,047,934)</u>	<u>556,568</u>
<u>\$ 184,463</u>	<u>\$ 16,444,231</u>	<u>\$ 21,952,053</u>	<u>\$ 291,264</u>	<u>\$ 626,387</u>	<u>\$</u>	<u>\$ 1,130,628</u>	<u>\$ 603,581</u>	<u>\$</u>	<u>\$</u>	<u>\$ 557,150</u>

Capital Projects Funds

	CIP FY10	CIP FY09	CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03
ASSETS								
Cash and short-term investments								
Investments								
Departmental receivable								
Intergovernmental receivables								
Loans receivable								
Due from other funds		\$ 98,421	\$ 1,567,194					
Inventory								
Other								
Total Assets		<u>\$ 98,421</u>	<u>\$ 1,567,194</u>					
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 17,093							
Accrued liabilities								
Retainage payable	349	\$ 1,574						
Unearned revenue								
Due to other funds	1,134,400			\$ 772,421	\$ 51,210	\$ 420,870	\$ 136,940	\$ 31,591
Advance from other fund								
Compensated absences								
Total Liabilities	<u>1,151,842</u>	<u>1,574</u>		<u>772,421</u>	<u>51,210</u>	<u>420,870</u>	<u>136,940</u>	<u>31,591</u>
DEFERRED INFLOW OF RESOURCES								
Unavailable revenue - long-term receivables								
Fund Balances:								
Nonspendable								
Restricted		\$ 96,847	\$ 1,567,194					
Committed								
Assigned								
Unassigned	\$ (1,151,842)			\$ (772,421)	\$ (51,210)	\$ (420,870)	\$ (136,940)	\$ (31,591)
Total Fund Balances (Deficit)	<u>(1,151,842)</u>	<u>96,847</u>	<u>1,567,194</u>	<u>(772,421)</u>	<u>(51,210)</u>	<u>(420,870)</u>	<u>(136,940)</u>	<u>(31,591)</u>
Total Liabilities and Fund Balances	<u>\$</u>	<u>\$ 98,421</u>	<u>\$ 1,567,194</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Capital Projects Funds

CIP FY02	CIP FY01	CIP FY00	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Capital Purchases Fund	Capital Projects Funds Subtotals	Total
						\$ 2,169,077	\$ 2,169,077	\$ 7,371,910
								11,193,167
								468,247
								621,731
								191,405
\$ 2,702				\$ 257,944	\$ 318,540	125,501	5,579,312	9,743,221
								80,761
								30,000
<u>\$ 2,702</u>				<u>\$ 257,944</u>	<u>\$ 318,540</u>	<u>\$ 2,294,578</u>	<u>\$ 7,748,389</u>	<u>\$ 29,700,442</u>
			\$ 1,380		\$ 36,000		\$ 1,186,717	\$ 1,301,594
								133,452
							241,600	241,600
								64,779
\$ 27,719		\$ 63,408	689,177				7,709,048	17,127,718
								427,299
<u>27,719</u>		<u>63,408</u>	<u>690,557</u>		<u>36,000</u>		<u>9,137,365</u>	<u>19,296,442</u>
								527,271
\$ 2,702				\$ 257,944			\$ 2,481,255	\$ 2,499,141
					\$ 282,540	\$ 2,294,578	2,577,118	4,899,963
								10,064,430
\$ (27,719)		\$ (63,408)	\$ (690,557)				(6,447,349)	(7,586,805)
<u>(27,719)</u>	<u>2,702</u>	<u>(63,408)</u>	<u>(690,557)</u>	<u>257,944</u>	<u>282,540</u>	<u>2,294,578</u>	<u>(1,388,976)</u>	<u>9,876,729</u>
<u>\$</u>	<u>\$ 2,702</u>	<u>\$</u>	<u>\$</u>	<u>\$ 257,944</u>	<u>\$ 318,540</u>	<u>\$ 2,294,578</u>	<u>\$ 7,748,389</u>	<u>\$ 29,700,442</u>

Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**

For Fiscal Year Ended June 30, 2018

	Special Revenue Funds				
	Community Development Fund	CDBG Recovery Fund	Housing and Urban Development	Housing Rehab Loan Fund	Economic Development Loan Fund
Revenues:					
Taxes					
Licenses and permits					
Intergovernmental	\$ 162,107				
Current services	4,800			\$ 381	\$ 136,131
Miscellaneous					
Total Revenues	<u>166,907</u>			<u>381</u>	<u>136,131</u>
Expenditures:					
Current:					
General government					
Public safety					
Public works					
Culture and recreation					
Education					
Public welfare	280,385		\$ 4,999		25,949
Debt service					
Total Expenditures	<u>280,385</u>		<u>4,999</u>		<u>25,949</u>
Excess (deficiency) of revenues over expenditures	(113,478)		(4,999)	381	110,182
Other Financing Sources:					
Bond proceeds and bond premiums					
Transfers in (out)	<u>166,247</u>		<u>7,980</u>		<u>(166,247)</u>
Net change in fund balances	52,769		2,981	381	(56,065)
Fund Balances, Beginning (Deficit)	<u>(382,715)</u>	\$ <u>131,086</u>	<u>2,974</u>	<u>314,977</u>	<u>(269,122)</u>
Fund Balances, Ending (Deficit)	\$ <u>(329,946)</u>	\$ <u>131,086</u>	\$ <u>5,955</u>	\$ <u>315,358</u>	\$ <u>(325,187)</u>

Special Revenue Funds

Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund
\$ 53,150	\$ 38,520	\$ 75,000	\$ 554,509	\$ 49,643		57,023
<u>53,150</u>	<u>38,520</u>	<u>75,000</u>	<u>554,509</u>	<u>49,643</u>	\$ 154,752	\$ 24,824
					<u>154,752</u>	<u>81,847</u>
131,470	39,703	115,428	417,427	50,806	185,924	103,609
<u>131,470</u>	<u>39,703</u>	<u>115,428</u>	<u>417,427</u>	<u>50,806</u>	<u>185,924</u>	<u>103,609</u>
(78,320)	(1,183)	(40,428)	137,082	(1,163)	(31,172)	(21,762)
<u>88,220</u>		<u>48,766</u>		<u>18,122</u>	<u>51,580</u>	<u>2,155</u>
9,900	(1,183)	8,338	137,082	16,959	20,408	(19,607)
<u>128,817</u>	<u>13,149</u>	<u>1,983</u>	<u>(21,480)</u>	<u>11,653</u>	<u>162,980</u>	<u>420,972</u>
\$ <u>138,717</u>	\$ <u>11,966</u>	\$ <u>10,321</u>	\$ <u>115,602</u>	\$ <u>28,612</u>	\$ <u>183,388</u>	\$ <u>401,365</u>

Special Revenue Funds							
	Radiological Emergency Response	DOI Fund	Department of Commerce	EPA Fund	National Endowment for the Arts	School Cafeteria Fund	School Federal Aid Fund
Revenues:							
Taxes							
Licenses and permits							
Intergovernmental				\$ 49,410		\$ 679,417	\$ 2,942,132
Current services						753,974	
Miscellaneous		\$ 19,000			\$ 4,150		
Total Revenues		<u>19,000</u>		<u>49,410</u>	<u>4,150</u>	<u>1,433,391</u>	<u>2,942,132</u>
Expenditures:							
Current:							
General government				10,750			
Public safety					4,144		
Public works							
Culture and recreation		149,000					
Education						1,521,631	2,941,691
Public Welfare							
Debt service							
Total Expenditures		<u>149,000</u>		<u>10,750</u>	<u>4,144</u>	<u>1,521,631</u>	<u>2,941,691</u>
Excess (deficiency) of revenues over expenditures		(130,000)		38,660	6	(88,240)	441
Other Financing Sources:							
Bond proceeds and bond premiums							
Transfers in (out)				52,169		50,628	
Net change in fund balances		(130,000)		90,829	6	(37,612)	441
Fund Balances, Beginning (Deficit)	\$ 36,879	(13,410)	\$ (12)	(84,505)	844	351,026	41,679
Fund Balances, Ending (Deficit)	<u>\$ 36,879</u>	<u>\$ (143,410)</u>	<u>\$ (12)</u>	<u>\$ 6,324</u>	<u>\$ 850</u>	<u>\$ 313,414</u>	<u>\$ 42,120</u>

Special Revenue Funds

Special Programs Fund	Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund	Fire Special Projects Fund
\$ 21,960	\$ 5,233				\$ 1,200	
73,433		\$ 10,000	\$ 409,011	\$ 1,005,275	7,726	\$ 30,000
					1,598	5,395
<u>95,393</u>	<u>5,233</u>	<u>10,000</u>	<u>409,011</u>	<u>1,005,275</u>	<u>10,524</u>	<u>35,395</u>
			340,878	511,970	33,070	33,959
		2,442				
100,730						
				78,509		
<u>100,730</u>	<u></u>	<u>2,442</u>	<u>340,878</u>	<u>590,479</u>	<u>33,070</u>	<u>33,959</u>
(5,337)	5,233	7,558	68,133	414,796	(22,546)	1,436
			(75,000)	(393,311)		
(5,337)	5,233	7,558	(6,867)	21,485	(22,546)	1,436
24,579	(24,148)	176,415	61,180	96,358	99,997	171,290
<u>\$ 19,242</u>	<u>\$ (18,915)</u>	<u>\$ 183,973</u>	<u>\$ 54,313</u>	<u>\$ 117,843</u>	<u>\$ 77,451</u>	<u>\$ 172,726</u>

Special Revenue Funds					
	Conservation Fund	Residential Solid Waste Fund	McConnell Center Fund	Recreation Programs Fund	Recreation Field Maintenance Fund
Revenues:					
Taxes	\$ 142,675				
Licenses and permits					
Intergovernmental		\$ 13,381			
Current services		996,071	\$ 629,300	\$ 382,983	
Miscellaneous	494	3,728		4,747	
Total Revenues	<u>143,169</u>	<u>1,013,180</u>	<u>629,300</u>	<u>387,730</u>	
Expenditures:					
Current:					
General government	2,610				
Public safety					
Public works		1,016,334			
Culture and recreation			404,962	521,008	\$ 30,327
Education					
Public welfare					
Debt service			402,700		
Total Expenditures	<u>2,610</u>	<u>1,016,334</u>	<u>807,662</u>	<u>521,008</u>	<u>30,327</u>
Excess (deficiency) of revenues over expenditures	140,559	(3,154)	(178,362)	(133,278)	(30,327)
Other Financing Sources:					
Bond proceeds and bond premiums					
Transfers in (out)	<u>(75,000)</u>		<u>273,520</u>	<u>15,500</u>	<u>35,000</u>
Net change in fund balances	65,559	(3,154)	95,158	(117,778)	4,673
Fund Balances, Beginning (Deficit)	<u>43,454</u>	<u>541,230</u>	<u>(531,043)</u>	<u>168,862</u>	<u>2,254</u>
Fund Balances, Ending (Deficit)	<u>\$ 109,013</u>	<u>\$ 538,076</u>	<u>\$ (435,885)</u>	<u>\$ 51,084</u>	<u>\$ 6,927</u>

Special Revenue Funds

Library Fines Fund	Downtown Dover TIF Fund	Waterfront TIF District Fund	Tuition Programs Fund	Vocational Center Fund	School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Special Revenue Funds Subtotals
	\$ 401,109	\$ 91,008					\$ 970,523	\$ 634,792
\$ 46,193			\$ 98,690			\$ 149,172		971,723
	90,001					300	932,427	4,739,211
<u>46,193</u>	<u>491,110</u>	<u>91,008</u>	<u>98,690</u>			<u>149,472</u>	<u>1,902,950</u>	<u>4,695,414</u>
								<u>1,241,416</u>
								<u>12,282,556</u>
	23,049	1,410					4	37,823
							41,538	2,009,926
							18,285	1,037,061
37,627			98,691			174,572	5,525	1,148,449
							4,119	4,841,434
	640,712							311,333
<u>37,627</u>	<u>663,761</u>	<u>1,410</u>	<u>98,691</u>			<u>174,572</u>	<u>69,471</u>	<u>1,121,921</u>
								<u>10,507,947</u>
8,566	(172,651)	89,598	(1)			(25,100)	1,833,479	1,774,609
	180,000	150,000					(2,497,515)	(2,067,186)
8,566	7,349	239,598	(1)			(25,100)	(664,036)	(292,577)
12,261	987	72,203	(6,873)	\$ 906	(1,153)	209,563	9,592,185	11,558,282
<u>\$ 20,827</u>	<u>\$ 8,336</u>	<u>\$ 311,801</u>	<u>\$ (6,874)</u>	<u>\$ 906</u>	<u>\$ (1,153)</u>	<u>\$ 184,463</u>	<u>\$ 8,928,149</u>	<u>\$ 11,265,705</u>

Capital Projects Funds

	CIP FY 19	CIP FY 18	CIP FY 17	CIP FY 15	CIP FY 14	CIP FY 13	CIP FY 12	CIP FY 11
Revenues:								
Taxes								
Licenses and permits								
Intergovernmental				\$ 3,714			\$ 2,434,502	\$ 15,861
Current services								
Miscellaneous	\$ 307,169	\$ 100,000						
Total Revenues	<u>307,169</u>	<u>100,000</u>		<u>3,714</u>			<u>2,434,502</u>	<u>15,861</u>
Expenditures:								
Current:								
General government		747,864	\$ 947,504	90,000				
Public safety	11,488	2,599,531	281					14,514
Public works	42,668	1,367,051	1,676,830	38,003	\$ 1,059,012	\$ 255	2,193,417	40,961
Culture and recreation		110,199	151,548					
Education			2,908,741					
Public welfare								
Debt service								
Total Expenditures	<u>54,156</u>	<u>4,824,645</u>	<u>5,684,904</u>	<u>128,003</u>	<u>1,059,012</u>	<u>255</u>	<u>2,193,417</u>	<u>55,475</u>
Excess (deficiency) of revenues over expenditures	253,013	(4,724,645)	(5,684,904)	(124,289)	(1,059,012)	(255)	241,085	(39,614)
Other Financing Sources:								
Bond proceeds and bond premiums		4,961,000	2,056,000	565,000	930,000		755,000	75,000
Transfers in (out)		760,534	1,088,685	1,117,876	1,261,001			
Net change in fund balances	253,013	996,889	(2,540,219)	1,558,587	1,131,989	(255)	996,085	35,386
Fund Balances, Beginning (Deficit)		(407,394)	(1,704,921)	(428,078)	(669,739)	(242,729)	\$ (2,044,019)	521,182
Fund Balances, Ending (Deficit)	<u>\$ 253,013</u>	<u>\$ 589,495</u>	<u>\$ (4,245,140)</u>	<u>\$ 1,130,509</u>	<u>\$ 462,250</u>	<u>\$ (242,984)</u>	<u>\$ (1,047,934)</u>	<u>\$ 556,568</u>

CIP FY10	CIP FY09	CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03	CIP FY02
\$ 184,671	\$ 150,000	\$ 21,995	\$ 24,864					
<u>184,671</u>	<u>150,000</u>	<u>21,995</u>	<u>24,864</u>					
(184,671)	(150,000)	(21,995)	(24,864)					
<u>(184,671)</u>	<u>(150,000)</u>	<u>(21,995)</u>	<u>(24,864)</u>					
(967,171)	246,847	1,589,189	(747,557)	\$ (51,210)	\$ (420,870)	\$ (136,940)	\$ (31,591)	\$ (27,719)
<u>\$ (1,151,842)</u>	<u>\$ 96,847</u>	<u>\$ 1,567,194</u>	<u>\$ (772,421)</u>	<u>\$ (51,210)</u>	<u>\$ (420,870)</u>	<u>\$ (136,940)</u>	<u>\$ (31,591)</u>	<u>\$ (27,719)</u>

Capital Projects Funds								
	CIP FY01	CIP FY00	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Capital Purchases Fund	Capital Projects Funds Subtotals	Total
Revenues:								
Taxes								\$ 634,792
Licenses and permits								971,723
Intergovernmental							\$ 2,454,077	7,193,288
Current services								4,695,414
Miscellaneous						\$ 37,690	444,859	1,686,275
Total Revenues						37,690	2,898,936	15,181,492
Expenditures:								
Current:								
General government		\$ 2,246					1,787,614	1,825,437
Public safety							2,647,809	4,657,735
Public works			\$ 500,600	\$ 13,178	\$ 50,000		7,341,510	8,378,571
Culture and recreation							261,747	1,410,196
Education							2,908,741	7,750,175
Public welfare								311,333
Debt service								1,121,921
Total Expenditures		2,246	500,600	13,178	50,000		14,947,421	25,455,368
Excess (deficiency) of revenues over expenditures		(2,246)	(500,600)	(13,178)	(50,000)	37,690	(12,048,485)	(10,273,876)
Other Financing Sources:								
Bond proceeds and bond premiums							9,342,000	9,342,000
Transfers in (out)			400,000		(147,500)	(1,738,287)	2,742,309	675,123
Net change in fund balances		(2,246)	(100,600)	(13,178)	(197,500)	(1,700,597)	35,824	(256,753)
Fund Balances, Beginning (Deficit)	\$ 2,702	(61,162)	(589,957)	271,122	480,040	3,995,175	(1,424,800)	10,133,482
Fund Balances, Ending (Deficit)	\$ 2,702	\$ (63,408)	(690,557)	\$ 257,944	\$ 282,540	\$ 2,294,578	\$ (1,388,976)	\$ 9,876,729

Detail and Combining Budget and Actual Schedules

(This page intentionally left blank.)

General Fund

The general fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include, among other items: General government, public safety, public works, culture and recreation, education, public welfare, inter-governmental and debt service. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

Detail Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes				
Property taxes	\$ 79,707,320	\$ 80,758,026	\$ 80,994,762	\$ 236,736
Boat tax	25,000	25,000	21,339	(3,661)
Yield tax	2,500	2,500	1,630	(870)
Payment in lieu of taxes	101,500	152,700	154,115	1,415
Excavation tax	5,000	5,000	3,278	(1,722)
Tax interest and penalties	600,000	400,000	356,906	(43,094)
Total Taxes	<u>80,441,320</u>	<u>81,343,226</u>	<u>81,532,030</u>	<u>188,804</u>
Licenses and Permits				
Health licenses and permits	53,000	53,000	57,908	4,908
Building permits	575,000	575,000	632,935	57,935
Peddlers and vendors licenses	900	900	520	(380)
Motor vehicle permits	5,200,000	5,200,000	5,498,053	298,053
Electrical permits	125,000	125,000	112,844	(12,156)
Plumbing permits	120,000	120,000	159,479	39,479
Trailer park permits	175	175	150	(25)
Fire and rescue permits	20,000	20,000	46,261	26,261
Dog licenses	17,403	17,403	18,258	855
Marriage license fees	2,450	2,450	1,862	(588)
Birth, death and marriage certificates	34,136	34,136	39,662	5,526
Miscellaneous licenses and permits	8,160	8,160	38,766	30,606
Taxi licenses	500	500	1,350	850
Total Licenses and Permits	<u>6,156,724</u>	<u>6,156,724</u>	<u>6,608,048</u>	<u>451,324</u>
Intergovernmental				
Rooms and meals distribution	1,600,000	1,581,625	1,581,625	
Federal grant reimbursement	10,000	10,000	6,983	(3,017)
State reimbursement	5,000	5,000	4,920	(80)
Highway block grant	1,026,862	603,659	603,314	(345)
Railroad tax	910	688	688	
Miscellaneous Intergovernmental	128,291	128,291	105,581	(22,710)
Total Intergovernmental	<u>2,771,063</u>	<u>2,329,263</u>	<u>2,303,111</u>	<u>(26,152)</u>

(continued)

(continued)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Current Services				
Sales and service charges	\$ 1,264,846	\$ 1,264,846	\$ 1,169,064	\$ (95,782)
Copy sales	200	200	367	167
Vending machine sales	3,500	3,500	2,672	(828)
Commissions	3,000	3,000	4,802	1,802
Ambulance services	1,350,000	1,250,000	1,254,667	4,667
Interment charges	50,800	50,800	41,150	(9,650)
Headstone foundations	9,000	9,000	9,195	195
Pro shop	13,000	13,000	9,610	(3,390)
Recreation charges	356,835	356,835	322,642	(34,193)
Non-resident charges	49,536	49,536	42,831	(6,705)
Food sales	44,000	44,000	31,805	(12,195)
Vending sales	10,000	10,000	6,803	(3,197)
Department overhead allocations	531,350	531,350	531,350	
Miscellaneous service charges	41,855	41,855	43,544	1,689
Total Current Services	<u>3,727,922</u>	<u>3,627,922</u>	<u>3,470,502</u>	<u>(157,420)</u>
Education				
Tuition	4,755,970	4,190,744	3,934,088	(256,656)
Federal grant reimbursement	655,500	655,500	568,668	(86,832)
State intergovernmental	10,305,078	10,305,078	10,378,293	73,215
Miscellaneous revenue	206,321	149,011	167,902	18,891
Total Education Income	<u>15,922,869</u>	<u>15,300,333</u>	<u>15,048,951</u>	<u>(251,382)</u>
Miscellaneous				
Miscellaneous revenue	15,400	15,400	11,852	(3,548)
District court receipts	25,000	25,000		(25,000)
Miscellaneous fines and forfeits	17,200	17,200	16,421	(779)
Insurance proceeds			32,646	32,646
Sale of city property	18,625	18,625	40,269	21,644
Investment income	400,000	350,000	488,966	138,966
Facilities rental	270,312	270,312	261,555	(8,757)
Interest on arrears			1,336	1,336
Equipment rental	2,000	2,000	1,375	(625)
Total Miscellaneous	<u>748,537</u>	<u>698,537</u>	<u>854,420</u>	<u>155,883</u>
Other Financing Sources				
Transfers in	1,861,372	1,861,372	1,794,665	(66,707)
Other financing sources	95,000	9,930,093	9,983,770	53,677
Total Other Financing Sources	<u>1,956,372</u>	<u>11,791,465</u>	<u>11,778,435</u>	<u>(13,030)</u>
Total Revenues and Other Financing Sources	<u>\$ 111,724,807</u>	<u>\$ 121,247,470</u>	<u>\$ 121,595,497</u>	<u>\$ 348,027</u>

Detail Schedule of Expenditures and Other Financing Uses

Budget and Actual - General Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government				
City Council	\$ 542,058	\$ 571,408	\$ 568,173	\$ 3,235
Executive	1,039,875	1,039,875	1,014,305	25,570
Finance	1,785,034	1,833,034	1,817,558	15,476
Planning	696,427	691,077	687,793	3,284
Miscellaneous	991,492	1,229,803	775,264	454,539
Total General Government	5,054,886	5,365,197	4,863,093	502,104
Public Safety				
Police	8,952,632	8,812,632	8,652,401	160,231
Fire and rescue	8,981,979	8,996,979	8,989,096	7,883
Total Public Safety	17,934,611	17,809,611	17,641,497	168,114
Public Works				
Community Services - Public Works	7,148,652	7,801,652	7,262,920	538,732
Total Public Works	7,148,652	7,801,652	7,262,920	538,732
Culture and Recreation				
Recreation	2,221,921	2,221,921	2,123,600	98,321
Public Library	1,377,030	1,377,030	1,247,716	129,314
Total Culture and Recreation	3,598,951	3,598,951	3,371,316	227,635
Public welfare				
Public welfare	856,608	656,608	593,456	63,152
Total Public Welfare	856,608	656,608	593,456	63,152
Education				
School Department	52,113,315	52,113,315	51,379,450	733,865
Total Education	52,113,315	52,113,315	51,379,450	733,865
Debt Service				
Payments to Refunded Bond Escrow		9,763,888	9,763,888	
Principal	6,326,973	6,006,973	5,999,169	7,804
Interest	5,687,590	5,607,590	5,523,456	84,134
Total Debt Service	12,014,563	21,378,451	21,286,513	91,938
Intergovernmental				
County tax	8,723,284	8,713,748	8,713,748	
Total Intergovernmental	8,723,284	8,713,748	8,713,748	
Transfers				
Transfer out	4,279,937	3,809,937	3,809,937	
Total Transfers	4,279,937	3,809,937	3,809,937	
Total Expenditures and Other Financing Uses	\$ 111,724,807	\$ 121,247,470	\$ 118,921,930	\$ 2,325,540
Excess of revenues and other sources over expenditures and other uses	\$	\$	\$ 2,673,567	\$ 2,673,567

(This page intentionally left blank.)

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2018

	Parking Activity		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 856,716	\$ 1,005,275	\$ 148,559
Intergovernmental			
Miscellaneous			
Other financing sources			
Total Revenues	<u>856,716</u>	<u>1,005,275</u>	<u>148,559</u>
Expenditures:			
Public safety	511,772	511,970	(198)
Education			
Public works			
Culture and recreation			
Debt service	77,077	78,509	(1,432)
Other financing uses	<u>275,779</u>	<u>393,311</u>	<u>(117,532)</u>
Total Expenditures	<u>864,628</u>	<u>983,790</u>	<u>(119,162)</u>
Revenues and other financing sources over (under) expenditures	\$ <u>(7,912)</u>	\$ <u>21,485</u>	\$ <u>29,397</u>

Residential Solid Waste			Library Fines		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 930,000	\$ 996,083	\$ 66,083	\$ 32,978	\$ 46,193	\$ 13,215
10,000	13,381	3,381			
	3,716	3,716			
68,582		(68,582)	3,700		(3,700)
<u>1,008,582</u>	<u>1,013,180</u>	<u>4,598</u>	<u>36,678</u>	<u>46,193</u>	<u>9,515</u>
1,102,557	1,016,334	86,223			
27,111		27,111	34,828	37,627	(2,799)
5,020		5,020	1,850		1,850
<u>1,134,688</u>	<u>1,016,334</u>	<u>118,354</u>	<u>36,678</u>	<u>37,627</u>	<u>(949)</u>
\$ <u>(126,106)</u>	\$ <u>(3,154)</u>	\$ <u>122,952</u>	\$ <u></u>	\$ <u>8,566</u>	\$ <u>8,566</u>

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2018

	Tuition Programs		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 125,000	\$ 98,690	\$ (26,310)
Intergovernmental			
Miscellaneous revenue			
Other financing sources			
Total Revenues	<u>125,000</u>	<u>98,690</u>	<u>(26,310)</u>
Expenditures:			
Public safety			
Education	125,000	98,691	26,309
Public works			
Culture and recreation			
Debt service			
Total Expenditures	<u>125,000</u>	<u>98,691</u>	<u>26,309</u>
Revenues and other financing sources over (under) expenditures	\$ <u> </u>	\$ <u>(1)</u>	\$ <u>(1)</u>

School Alternative Education			School Facilities		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$ 19,000	\$ 21,492	\$ 2,492
			171,395	127,980	(43,415)
			<u>190,395</u>	<u>149,472</u>	<u>(40,923)</u>
\$ 135		\$ 135	196,618	174,572	22,046
<u>135</u>		<u>135</u>	<u>196,618</u>	<u>174,572</u>	<u>22,046</u>
\$ <u>(135)</u>	\$ <u></u>	\$ <u>135</u>	\$ <u>(6,223)</u>	\$ <u>(25,100)</u>	\$ <u>(18,877)</u>

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2018

	McConnell Center		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 709,772	\$ 629,300	\$ (80,472)
Intergovernmental			
Miscellaneous			
Other financing sources	228,135	273,520	45,385
Total Revenues	<u>937,907</u>	<u>902,820</u>	<u>(35,087)</u>
Expenditures:			
Public safety			
Education			
Public works			
Culture and recreation	547,107	404,962	142,145
Debt service	402,700	402,700	
Total Expenditures	<u>949,807</u>	<u>807,662</u>	<u>142,145</u>
Revenues and other financing source over (under) expenditures	\$ <u>(11,900)</u>	\$ <u>95,158</u>	\$ <u>107,058</u>

Police DHA Fund			School Cafeteria		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 108,766	\$ 75,000	\$ (33,766)	\$ 870,000	\$ 715,926	\$ (154,074)
			832,000	693,364	(138,636)
			28,000	24,101	(3,899)
	48,766	48,766		50,628	50,628
<u>108,766</u>	<u>123,766</u>	<u>15,000</u>	<u>1,730,000</u>	<u>1,484,019</u>	<u>(245,981)</u>
180,766	115,428	65,338	1,807,787	1,521,631	286,156
<u>180,766</u>	<u>115,428</u>	<u>65,338</u>	<u>1,807,787</u>	<u>1,521,631</u>	<u>286,156</u>
\$ <u>(72,000)</u>	\$ <u>8,338</u>	\$ <u>80,338</u>	\$ <u>(77,787)</u>	\$ <u>(37,612)</u>	\$ <u>40,175</u>

(This page intentionally left blank.)

Enterprise Funds

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Dover has the following Enterprise Funds:

Water Fund: To account for the operation of a water treatment plant, City wells and water system.

Sewer Fund: To account for the operation of a sewer treatment plant, pumping station and sewer lines.

DBIDA Fund: To account for the economic development projects of the Dover Business Industrial Development Authority (DBIDA), which operates under RSA 162-G.

No annual budget is adopted for the DBIDA Fund.

Proprietary Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2018

		Water Fund	
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 5,233,333	\$ 4,796,902	\$ (436,431)
Other	70,500	78,405	7,905
Total Operating Revenues	<u>5,303,833</u>	<u>4,875,307</u>	<u>(428,526)</u>
Operating Expenses:			
Personnel services	1,189,405	1,107,278	82,127
Purchased services	366,858	293,282	73,576
Supplies and materials	636,450	864,829	(228,379)
Minor equipment	295,549		295,549
Other	280,670	229,712	50,958
Depreciation	1,398,946	952,405	446,541
Total Operating Expenses	<u>4,167,878</u>	<u>3,447,506</u>	<u>720,372</u>
Operating Income (Loss)	<u>1,135,955</u>	<u>1,427,801</u>	<u>291,846</u>
Non-Operating Income (Expenses):			
Investment Income		333,589	333,589
Interest expense	(548,139)	(294,545)	253,594
Intergovernmental		761,172	761,172
Total Non-Operating Income (Expenses)	<u>(548,139)</u>	<u>800,216</u>	<u>1,348,355</u>
Net Income (Loss) Before Transfers	<u>587,816</u>	<u>2,228,017</u>	<u>1,640,201</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(118,639)	(118,639)	
Total Other Financing Sources and Uses	<u>(118,639)</u>	<u>(118,639)</u>	
Net Income (Loss)	<u>\$ 469,177</u>	<u>\$ 2,109,378</u>	<u>\$ 1,640,201</u>

	Sewer Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 7,013,094	\$ 6,882,150	\$ (130,944)
Other	<u>57,000</u>	<u>76,623</u>	<u>19,623</u>
Total Operating Revenues	<u>7,070,094</u>	<u>6,958,773</u>	<u>(111,321)</u>
Operating Expenses:			
Personnel services	1,762,121	1,596,770	165,351
Purchased services	853,341	906,238	(52,897)
Supplies and materials	884,665	829,371	55,294
Minor equipment	254,284		254,284
Other	466,899	334,811	132,088
Depreciation	<u>2,439,858</u>	<u>2,021,415</u>	<u>418,443</u>
Total Operating Expenses	<u>6,661,168</u>	<u>5,688,605</u>	<u>972,563</u>
Operating Income (Loss)	<u>408,926</u>	<u>1,270,168</u>	<u>861,242</u>
Non-Operating Income (Expenses):			
Investment Income		694,917	694,917
Interest expense	(738,003)	(506,753)	231,250
Intergovernmental	<u>694,467</u>	<u>965,931</u>	<u>271,464</u>
Total Non-Operating Income (Expenses)	<u>(43,536)</u>	<u>1,154,095</u>	<u>1,197,631</u>
Net Income (Loss) Before Transfers	<u>365,390</u>	<u>2,424,263</u>	<u>2,058,873</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	<u>(56,278)</u>	<u>(256,278)</u>	<u>(200,000)</u>
Total Other Financing Sources and Uses	<u>(56,278)</u>	<u>(256,278)</u>	<u>(200,000)</u>
Net Income (Loss)	<u>\$ 309,112</u>	<u>\$ 2,167,985</u>	<u>\$ 1,858,873</u>

(This page intentionally left blank.)

Internal Service Funds

- Dover Net Fund – To account for the costs related to the operations of the information technology network and the allocation of these costs to the various funds and functions.
- Central Stores Fund – To account for the costs related to the supplies, copiers and postage and the allocation of these costs to the various funds and functions based on actual use.
- Fleet Maintenance Fund – To account for the maintenance costs related to the vehicle fleet and the allocation of these costs to the various funds and functions based on actual use.
- Workers Compensation Fund – To account for the cost of administration, insurance and claims for workers compensation and the allocation of these costs to the various funds and functions based on historical wage and claims history.
- OPEB Fund – To account for the costs related to post-employment benefits other than pensions for eligible retirees and current employees.

Internal Service Funds**Combining Statement of Net Position**

June 30, 2018

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
ASSETS						
Current:						
Departmental and other receivables	\$ 25,569		\$ 8,029			\$ 33,598
Due from (to) other funds	454,206	\$ 48,086	87,402	\$ 90,194	\$ (46,380)	633,508
Prepaid expenses				20,000		20,000
Inventory			104,272			104,272
Total Assets	<u>479,775</u>	<u>48,086</u>	<u>199,703</u>	<u>110,194</u>	<u>(46,380)</u>	<u>791,378</u>
LIABILITIES						
Current:						
Accounts payable	18,990	3,061	14,849	3,009		39,909
Accrued liabilities	9,406		6,736			16,142
Claims liability				39,000		39,000
Compensated absences	30,917		21,477			52,394
Total Current Liabilities	<u>59,313</u>	<u>3,061</u>	<u>43,062</u>	<u>42,009</u>		<u>147,445</u>
Non-current:						
Claims liability, net of current portion				110,000		110,000
Total Liabilities	<u>59,313</u>	<u>3,061</u>	<u>43,062</u>	<u>152,009</u>		<u>257,445</u>
NET Position						
Restricted for capital projects	231,220					231,220
Unrestricted	189,242	45,025	156,641	(41,815)	(46,380)	302,713
Total Net Position	<u>\$ 420,462</u>	<u>\$ 45,025</u>	<u>\$ 156,641</u>	<u>\$ (41,815)</u>	<u>\$ (46,380)</u>	<u>\$ 533,933</u>

Internal Service Funds

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position

For Fiscal Year Ended June 30, 2018

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
Operating Revenues:						
Charges for services	\$ 589,704	\$ 76,088	\$ 829,551	\$ 519,780		\$ 2,015,123
Miscellaneous	419,951		15,330			435,281
Total Operating Revenues	<u>1,009,655</u>	<u>76,088</u>	<u>844,881</u>	<u>519,780</u>		<u>2,450,404</u>
Operating Expenses:						
Personal services	617,427		509,046	371,127	\$ 1,713,737	3,211,337
Purchased services	256,452	55,438	20,267	93,329		425,486
Supplies	191,584	26,732	11,376			229,692
Minor equipment	65,784		24,201			89,985
Other expenses			230,248			230,248
Total Operating Expenses	<u>1,131,247</u>	<u>82,170</u>	<u>795,138</u>	<u>464,456</u>	<u>1,713,737</u>	<u>4,186,748</u>
Operating Income (Loss)	<u>(121,592)</u>	<u>(6,082)</u>	<u>49,743</u>	<u>55,324</u>	<u>(1,713,737)</u>	<u>(1,736,344)</u>
Nonoperating revenue (expense)						
Transfer in (out)	(122,844)		(62,238)		1,594,311	1,409,229
Intergovernmental				28,538	48,874	77,412
Total nonoperating revenues (expenses)	<u>(122,844)</u>		<u>(62,238)</u>	<u>28,538</u>	<u>1,643,185</u>	<u>1,486,641</u>
Change in Net Position	(244,436)	(6,082)	(12,495)	83,862	(70,552)	(249,703)
Net Position at Beginning of Year	<u>664,898</u>	<u>51,107</u>	<u>169,136</u>	<u>(125,677)</u>	<u>24,172</u>	<u>783,636</u>
Net Position at End of Year	<u>\$ 420,462</u>	<u>\$ 45,025</u>	<u>\$ 156,641</u>	<u>\$ (41,815)</u>	<u>\$ (46,380)</u>	<u>\$ 533,933</u>

Internal Service Funds

Combining Statement of Cash Flows

For Fiscal Year Ended June 30, 2018

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
Cash Flows From Operating Activities:						
Receipts from customers and users for services	\$ 1,009,966	\$ 76,088	\$ 846,200	\$ 519,780		\$ 2,452,034
Payments to vendors and contractors	(504,025)	(83,040)	(334,417)	(93,567)	\$ (1,700,100)	(2,715,149)
Payments of employee salaries and benefits	(620,563)		(509,281)	(456,127)		(1,585,971)
Receipts for interfund service provided	237,466	6,952	59,736	1,376	56,915	362,445
Payments for interfund service provided						
Net Cash Provided By (Used For) Operating Activities	<u>122,844</u>	<u></u>	<u>62,238</u>	<u>(28,538)</u>	<u>(1,643,185)</u>	<u>(1,486,641)</u>
Cash Flows From Noncapital Financing Activities:						
Transfer in					1,594,311	1,594,311
Transfer out	(122,844)		(62,238)			(185,082)
Intergovernmental subsidy				28,538	48,874	77,412
Net Cash Provided By Noncapital Financing Activities	<u>(122,844)</u>	<u></u>	<u>(62,238)</u>	<u>28,538</u>	<u>1,643,185</u>	<u>1,486,641</u>
Cash and Short Term Investments, Beginning of Year	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Cash and Short Term Investments, End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:						
Operating income (loss)	\$ (121,592)	\$ (6,082)	\$ 49,743	\$ 55,324	\$ (1,713,737)	\$ (1,736,344)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Changes in assets and liabilities:						
Inventory			(35,513)			(35,513)
Departmental and other receivables	311		1,319		13,637	15,267
Interfund receivables/payables	237,466	6,952	59,736	1,376	56,915	362,445
Accounts payable	9,795	(870)	(12,812)	(238)		(4,125)
Accrued liabilities	(49)		(234)	(85,000)		(85,283)
Compensated absences	(3,087)		(1)			(3,088)
Net Cash Provided By (Used For) Operating Activities	<u>\$ 122,844</u>	<u>\$</u>	<u>\$ 62,238</u>	<u>\$ (28,538)</u>	<u>\$ (1,643,185)</u>	<u>\$ (1,486,641)</u>

(This page intentionally left blank.)

Internal Service Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2018

	Dover Net Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 591,910	\$ 589,704	\$ (2,206)
Other revenue	495,000	419,951	(75,049)
Total Operating Revenues	<u>1,086,910</u>	<u>1,009,655</u>	<u>(77,255)</u>
Operating Expenses:			
Personnel services	620,014	617,427	2,587
Purchased services	277,549	250,430	27,119
Supplies and materials	10,129	222,767	(212,638)
Minor equipment	553,403	72,219	481,184
Other	4,472		4,472
Total Operating Expenses	<u>1,465,567</u>	<u>1,162,843</u>	<u>302,724</u>
Operating Income (Loss)	(378,657)	(153,188)	225,469
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(378,657)</u>	<u>(153,188)</u>	<u>225,469</u>
Other Financing Sources and Uses			
Use of retained earnings	179,314		(179,314)
Transfers in			
Transfers out	<u>(122,844)</u>	<u>(122,844)</u>	
Total Other Financing Sources and Uses	<u>56,470</u>	<u>(122,844)</u>	<u>(179,314)</u>
Net Income (Loss)	<u>\$ (322,187)</u>	<u>\$ (276,032)</u>	<u>\$ 46,155</u>

	Central Stores Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 101,586	\$ 76,088	\$ (25,498)
Other revenue			
Total Operating Revenues	<u>101,586</u>	<u>76,088</u>	<u>(25,498)</u>
Operating Expenses:			
Personnel services			
Purchased services	68,645	55,423	13,222
Supplies and materials	38,940	26,345	12,595
Minor equipment			
Other			
Total Operating Expenses	<u>107,585</u>	<u>81,768</u>	<u>25,817</u>
Operating Income (Loss)	(5,999)	(5,680)	319
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(5,999)</u>	<u>(5,680)</u>	<u>319</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers in			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	<u>\$ (5,999)</u>	<u>\$ (5,680)</u>	<u>\$ 319</u>

	Fleet Maintenance Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 867,831	\$ 829,551	\$ (38,280)
Other revenue	27,725	15,330	(12,395)
Total Operating Revenues	<u>895,556</u>	<u>844,881</u>	<u>(50,675)</u>
Operating Expenses:			
Personnel services	521,504	509,046	12,458
Purchased services	21,967	20,676	1,291
Supplies and materials	17,978	17,172	806
Minor equipment	81,926		81,926
Other	277,364	230,248	47,116
Total Operating Expenses	<u>920,739</u>	<u>777,142</u>	<u>143,597</u>
Operating Income (Loss)	(25,183)	67,739	92,922
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(25,183)</u>	<u>67,739</u>	<u>92,922</u>
Other Financing Sources and Uses			
Use of retained earnings	63,220		(63,220)
Transfers in			
Transfers out	<u>(62,238)</u>	<u>(62,238)</u>	
Total Other Financing Sources and Uses	<u>982</u>	<u>(62,238)</u>	<u>(63,220)</u>
Net Income (Loss)	<u>\$ (24,201)</u>	<u>\$ 5,501</u>	<u>\$ 29,702</u>

	Workers Compensation Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 654,358	\$ 519,780	\$ (134,578)
Other revenue			
Total Operating Revenues	<u>654,358</u>	<u>519,780</u>	<u>(134,578)</u>
Operating Expenses:			
Personnel services	573,320	371,127	202,193
Purchased services	14,118	91,749	(77,631)
Supplies and materials			
Minor equipment			
Other	68,500		68,500
Total Operating Expenses	<u>655,938</u>	<u>462,876</u>	<u>193,062</u>
Operating Income (Loss)	(1,580)	56,904	58,484
Non-Operating Income (Expenses)			
Intergovernmental		28,538	28,538
Net Income (Loss) Before Transfers	<u>(1,580)</u>	<u>85,442</u>	<u>87,022</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	<u>\$ (1,580)</u>	<u>\$ 85,442</u>	<u>\$ 87,022</u>

		OPEB Fund	
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services			
Other revenue			
Total Operating Revenues			
Operating Expenses:			
Personnel services	\$ 1,594,311	\$ 1,713,737	\$ (119,426)
Purchased services			
Supplies and materials			
Minor equipment			
Other			
Total Operating Expenses	<u>1,594,311</u>	<u>1,713,737</u>	<u>(119,426)</u>
Operating Income (Loss)	(1,594,311)	(1,713,737)	(119,426)
Non-Operating Income (Expenses)			
Intergovernmental		48,874	48,874
Net Income (Loss) Before Transfers	<u>(1,594,311)</u>	<u>(1,664,863)</u>	<u>(70,552)</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers in	1,594,311	1,594,311	
Transfers out			
Total Other Financing Sources and Uses	<u>1,594,311</u>	<u>1,594,311</u>	
Net Income (Loss)	\$ <u></u>	\$ <u>(70,552)</u>	\$ <u>(70,552)</u>

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

Agency Funds:

- Performance Bonds – To account for funds received from contractors doing work for the City to insure the City against the contractor's failure to complete the request.
- Chamber of Commerce – To account for funds received from Chamber of Commerce for its Riverwalk Project.
- Department Agency – To account for funds received from other organizations for activities administered by various City departments.
- School Agency – To account for funds received from other organizations for activities administered by the Dover School Department.

Private Purpose Funds:

- Cemetery – To account for private donations left in trust to maintain graves and provide flowers.
- Parks and Recreation – To account for private donations left in trust to assist individuals attending various recreational programs.
- Welfare – To account for private donations left in trust for the benefit of low or moderate income individuals.
- School – To account for private donations left in trust mainly for the benefit of providing scholarships to high school graduates.

Agency Funds**Combining Statement of Assets and Liabilities**

June 30, 2018

	Performance Deposits	Chamber of Commerce	Department Agency	School Agency	Total
ASSETS					
Cash and short-term investments				\$ 301,737	\$ 301,737
Due from other funds	\$ 1,106,516	\$ 3,083	\$ 139,870	49,797	1,299,266
Total Assets	\$ 1,106,516	\$ 3,083	\$ 139,870	\$ 351,534	\$ 1,601,003
LIABILITIES					
Other liabilities	\$ 1,106,516	\$ 3,083	\$ 139,870	\$ 351,534	\$ 1,601,003
Total Liabilities	\$ 1,106,516	\$ 3,083	\$ 139,870	\$ 351,534	\$ 1,601,003

Agency Funds

Combining Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Performance Deposits				
Assets - due from other funds	\$ <u>864,489</u>	\$ <u>485,701</u>	<u>(243,674)</u>	\$ <u>1,106,516</u>
Liabilities - other liabilities	\$ <u>864,489</u>	\$ <u>724,033</u>	<u>(482,006)</u>	\$ <u>1,106,516</u>
Chamber of Commerce				
Assets - due from other funds	\$ <u>3,083</u>	\$ <u></u>	\$ <u></u>	\$ <u>3,083</u>
Liabilities - other liabilities	\$ <u>3,083</u>	\$ <u></u>	\$ <u></u>	\$ <u>3,083</u>
Department Agency				
Assets - due from other funds	\$ <u>113,730</u>	\$ <u>287,946</u>	<u>(261,806)</u>	\$ <u>139,870</u>
Liabilities - other liabilities	\$ <u>113,730</u>	\$ <u>293,989</u>	<u>(267,849)</u>	\$ <u>139,870</u>
School Agency				
Assets - cash	\$ 285,500	\$ 438,107	(421,870)	\$ 301,737
Assets - due from other funds	31,186	74,370	(55,759)	49,797
Total Assets	\$ <u>316,686</u>	\$ <u>512,477</u>	\$ <u>(477,629)</u>	\$ <u>351,534</u>
Liabilities - other liabilities	\$ <u>316,686</u>	\$ <u>1,016,588</u>	\$ <u>(981,740)</u>	\$ <u>351,534</u>
Totals				
Assets - cash	\$ 285,500	\$ 438,107	\$ (421,870)	\$ 301,737
Assets - due from other funds	1,012,488	848,017	(561,239)	1,299,266
Total Assets	\$ <u>1,297,988</u>	\$ <u>1,286,124</u>	\$ <u>(983,109)</u>	\$ <u>1,601,003</u>
Liabilities - other liabilities	\$ <u>1,297,988</u>	\$ <u>2,034,610</u>	\$ <u>(1,731,595)</u>	\$ <u>1,601,003</u>

Private Purpose Trust Funds**Combining Statement of Fiduciary Net Position**

June 30, 2018

	Cemetery	Parks and Recreation	Welfare	School	Total
ASSETS					
Due from other funds	\$ 215,596	\$ 57,149	\$ 175,896	\$ 467,098	\$ 915,739
Total Assets	\$ 215,596	\$ 57,149	\$ 175,896	\$ 467,098	\$ 915,739
LIABILITIES AND NET ASSETS					
Accounts payable					
Total Liabilities	-	-	-	-	-
NET POSITION					
Total Net Position Held in Trust	\$ 215,596	\$ 57,149	\$ 175,896	\$ 467,098	\$ 915,739

Private Purpose Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For Fiscal Year Ended June 30, 2018

	Cemetery	Parks and Recreation	Welfare	School	Total
Additions:					
Investment income	\$ 5,967	\$ 1,575	\$ 7,228	\$ 20,168	\$ 34,938
Total Additions	5,967	1,575	7,228	20,168	34,938
Deductions:					
Disbursements by agent	2,221	259	1,133	18,613	22,226
Total Deductions	2,221	259	1,133	18,613	22,226
Net Increase	3,746	1,316	6,095	1,555	12,712
Net Position:					
Beginning of Year	211,850	55,833	169,801	465,543	903,027
End of Year	\$ 215,596	\$ 57,149	\$ 175,896	\$ 467,098	\$ 915,739

STATISTICAL SECTION

City of Dover, New Hampshire

Statistical Section

The City of Dover's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	157 -165
Revenue Capacity These schedules contain information to help reader assess the government's most significant local revenue source, the property tax.	166 -171
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	172 -174
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	175 -176
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	177 -182

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Dover, New Hampshire

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014 (3)	2015 (2)	2016	2017(1)	2018
Governmental Activities										
Net investment in capital assets										
Restricted	\$ 76,018,355	\$ 80,024,915	\$ 84,864,320	\$ 87,621,792	\$ 94,608,955	\$ 97,393,335	\$ 104,384,508	\$ 102,213,192	\$ 114,917,870	\$ 131,590,761
Unrestricted	239,781	357,330	3,755,675	3,831,773	4,176,355	4,803,592	5,113,564	5,017,551	4,690,168	4,837,088
	(4,425,923)	(4,296,357)	(6,828,784)	(13,020,114)	(15,040,301)	(66,283,351)	(93,885,155)	(85,246,101)	(96,958,566)	(100,122,724)
Total governmental activities net position	\$ 71,832,213	\$ 76,085,888	\$ 81,791,211	\$ 78,433,451	\$ 83,745,009	\$ 35,913,576	\$ 15,612,917	\$ 21,984,642	\$ 22,649,472	\$ 36,305,125
Business-type activities										
Net investment in capital assets										
Restricted	\$ 46,561,358	\$ 48,633,637	\$ 50,765,070	\$ 49,606,632	\$ 50,399,796	\$ 49,645,760	\$ 54,075,727	\$ 54,216,135	\$ 56,569,572	\$ 56,910,947
Unrestricted	6,388,298	6,692,028	1,694,773	-	5,002,798	12,740,179	11,744,340	9,582,993	16,676,201	15,081,173
	5,702,564	2,367,829	5,792,867	8,189,888	4,252,345	(2,982,328)	(6,063,394)	(1,492,471)	(6,919,133)	(1,374,045)
Total business-type activities net position	\$ 58,652,220	\$ 57,693,494	\$ 58,252,710	\$ 57,796,520	\$ 59,654,939	\$ 59,393,611	\$ 59,756,673	\$ 62,306,657	\$ 66,326,640	\$ 70,618,075
Primary government										
Net investment in capital assets	\$ 122,579,713	\$ 128,658,552	\$ 135,629,390	\$ 137,228,424	\$ 145,008,751	\$ 147,039,095	\$ 158,460,235	\$ 156,429,327	\$ 171,487,442	\$ 188,501,708
Restricted	6,628,079	7,049,358	5,450,448	3,831,773	9,179,153	17,543,771	16,857,904	14,600,544	21,366,369	19,918,261
Unrestricted	1,276,641	(1,928,528)	(1,035,917)	(4,830,226)	(10,787,956)	(69,275,679)	(99,948,549)	(86,738,572)	(103,877,699)	(101,496,769)
Total primary government net position	\$ 130,484,433	\$ 133,779,382	\$ 140,043,921	\$ 136,229,971	\$ 143,399,948	\$ 95,307,187	\$ 75,369,590	\$ 84,291,299	\$ 88,976,112	\$ 106,923,200

Data Source:

Audited Financial Statements

- (1) Total Net Position as restated for Fiscal Year ended June 30, 2017. Restatement resulting from implementation of GASB No. 75, NHRS Plan.
- (2) Total Net Position as restated for Fiscal Year ended June 30, 2015. Restatement resulting from implementation of GASB No. 75, early implementer.
- (3) Total Net Position as restated for Fiscal Year ended June 30, 2014. Restatement resulting from implementation of GASB No. 68.

City of Dover, New Hampshire

Changes in Net Position

Last Ten Fiscal Years
(annual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 3,177,388	\$ 3,483,389	\$ 6,120,791	\$ 6,057,408	\$ 7,187,927	\$ 7,411,338	\$ 8,801,013	\$ 8,553,210	\$ 8,893,548	\$ 9,043,439
Public safety	16,154,098	17,405,207	16,052,207	16,052,207	17,030,785	17,699,453	17,517,777	17,558,603	19,556,049	20,282,214
Public works	10,621,805	11,922,320	4,881,919	16,831,168	6,720,090	6,894,215	12,086,715	8,354,042	10,504,381	12,467,297
Culture and recreation	3,669,804	3,325,068	3,313,255	3,325,068	3,296,827	3,554,501	3,372,521	3,673,521	3,572,622	4,681,480
Education	45,928,648	45,288,003	48,769,847	47,519,865	47,519,876	47,519,876	50,402,042	53,314,125	56,825,940	58,318,004
Public Welfare	740,125	861,608	813,196	880,622	948,950	775,598	737,746	677,251	705,534	636,126
Intergovernmental - County Tax	6,772,323	7,030,640	7,032,271	7,032,271	7,521,254	7,771,799	8,057,555	8,331,912	8,513,779	8,713,747
Interest	3,131,043	3,287,626	3,448,823	3,146,142	3,216,334	3,126,899	3,190,619	3,634,735	6,146,247	5,579,194
Miscellaneous	90,196,214	92,756,959	90,453,309	101,365,705	94,115,043	94,780,607	105,068,018	104,087,399	114,522,100	119,701,501
Total governmental activities expenses	3,382,625	3,745,551	3,414,368	3,618,587	3,588,668	3,676,337	3,701,217	3,321,172	3,531,457	3,792,266
Business-type activities:										
Water services	5,472,366	5,426,802	5,227,382	5,345,924	5,866,950	5,995,494	6,156,907	5,849,208	4,736,927	6,208,676
Sewer services	39,516	298,878	312,954	195,493	134,900	144,643	141,508	161,027	164,510	192,124
DBIDA services	177,885	9,471,231	8,954,704	9,160,004	9,600,518	9,816,474	9,999,832	9,331,407	8,432,894	10,193,065
Total business-type activities expenses	\$ 99,248,607	\$ 102,228,190	\$ 99,408,013	\$ 110,525,709	\$ 103,715,561	\$ 104,597,061	\$ 115,068,650	\$ 113,428,806	\$ 122,954,994	\$ 129,894,567
Program Revenues										
Governmental activities:										
Charges for services	\$ 916,590	\$ 2,085,157	\$ 1,631,363	\$ 1,577,067	\$ 2,216,125	\$ 3,729,530	\$ 2,676,880	\$ 2,963,873	\$ 2,701,862	\$ 2,941,527
Grants	1,794,657	1,872,986	2,330,389	2,265,257	2,541,417	2,603,827	3,147,189	3,149,192	4,093,742	4,598,970
Public safety	1,253,452	1,231,521	1,817,936	1,181,807	1,178,862	1,207,963	1,191,460	1,265,397	1,380,754	1,355,075
Culture and recreation	1,242,867	1,163,061	1,757,865	1,984,056	1,639,138	1,742,387	1,769,250	1,695,880	1,649,213	2,451,965
Education	14,529,866	7,167,981	6,379,842	6,298,841	5,570,386	5,147,522	5,708,982	5,670,387	5,438,691	4,994,554
Public Welfare	82,006	81,955	214,171	213,255	292,284	161,041	12,908	20,252	62,078	7,514
Miscellaneous	20,219,448	13,902,871	14,140,566	13,560,393	13,388,063	14,792,310	15,033,689	14,754,981	15,324,340	16,439,605
Total charges for services	9,799,478	18,091,830	15,094,882	14,589,824	14,158,744	14,671,426	15,356,821	15,151,637	21,511,637	27,195,537
Operating grants and contributions	2,693,635	904,897	719,491	680,251	643,193	789,934	1,077,009	873,704	889,866	1,076,043
Total governmental activities program revenues	32,492,551	32,899,368	29,954,909	28,280,558	28,190,000	29,476,670	30,360,034	30,785,506	37,824,843	44,711,185
Business-type activities:										
Charges for services	3,966,112	3,961,121	4,671,077	4,272,878	4,680,037	4,840,241	5,071,805	5,190,575	4,942,439	5,141,655
Water services	4,060,736	4,095,245	4,506,884	4,572,478	5,353,449	5,840,241	6,413,239	6,735,265	6,954,628	7,582,041
Sewer services	129,235	175,787	168,854	83,157	1,200	2,400	2,400	1,200	-	-
DBIDA services	8,176,063	8,232,253	9,346,815	8,928,513	10,034,686	10,668,581	11,487,444	11,927,040	11,897,067	12,723,736
Total charges for services	424,092	134,611	77,679	27,913	1,366,909	750,539	1,266,827	51,657	643,618	1,727,103
Operating grants and contributions	8,600,175	8,366,864	9,424,494	8,956,426	11,421,595	11,415,120	12,744,271	11,978,697	12,540,685	14,450,839
Total business-type activities program revenues	\$ 41,092,736	\$ 41,266,252	\$ 39,379,403	\$ 37,236,994	\$ 39,611,595	\$ 41,168,790	\$ 43,134,305	\$ 42,764,203	\$ 50,365,528	\$ 58,162,024
Net (Expense)/Revenue										
Governmental activities	\$ (57,703,653)	\$ (58,857,571)	\$ (60,498,400)	\$ (73,085,137)	\$ (65,925,043)	\$ (65,030,937)	\$ (74,708,984)	\$ (73,311,893)	\$ (76,697,257)	\$ (74,990,316)
Business-type activities	(452,218)	(1,104,367)	469,790	(203,578)	1,821,077	1,602,646	2,774,639	2,647,290	4,107,791	4,257,773
Total Primary government net expense	\$ (58,155,871)	\$ (60,961,938)	\$ (60,028,610)	\$ (73,288,715)	\$ (64,103,966)	\$ (63,428,291)	\$ (71,934,345)	\$ (70,664,603)	\$ (72,589,466)	\$ (70,732,543)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 58,489,588	\$ 60,266,022	\$ 61,572,865	\$ 65,534,332	\$ 65,837,919	\$ 68,395,136	\$ 71,275,622	\$ 73,814,836	\$ 77,340,733	\$ 81,745,617
Motor vehicle registration tax	3,692,119	3,567,586	3,533,202	3,710,058	3,933,255	4,265,850	4,665,284	4,983,254	5,288,728	5,498,053
Penalties, interest and other taxes	8,354	307,005	356,594	417,100	445,156	503,025	414,868	375,076	368,115	359,831
Unrestricted investment income/(loss)	16,804	(108,998)	719,982	(177,927)	115,400	538,291	188,556	242,475	998,042	832,877
Other revenue	494,196	207,849	98,760	284,616	929,015	193,345	330,930	134,784	66,321	104,403
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Transfers, net	(1,227,259)	(130,000)	(82,120)	(40,802)	(34,618)	(1,316,280)	(44,930)	123,193	123,331	105,188
Total governmental activities	61,473,802	64,109,464	66,201,293	69,727,377	71,226,127	72,576,367	76,830,330	79,683,618	84,189,270	88,645,969
Business-type activities:										
Investment income	40,213	15,641	7,309	3,146	2,223	865	19,046	25,887	35,523	138,850
Other Revenue	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers, net	1,227,259	130,000	82,120	40,802	34,618	7,330	44,930	(123,193)	(123,331)	(105,188)
Total business-type activities	\$ 1,267,472	\$ 145,641	\$ 89,429	\$ 82,579	\$ 36,841	\$ 8,195	\$ 63,976	\$ (97,306)	\$ (87,808)	\$ 33,662
Total primary government	\$ 62,741,274	\$ 64,255,105	\$ 66,290,722	\$ 69,809,956	\$ 71,262,968	\$ 72,585,362	\$ 76,894,306	\$ 79,586,312	\$ 84,101,462	\$ 88,679,631
Change in Net Position										
Governmental activities	\$ 3,770,149	\$ 4,251,893	\$ 5,702,883	\$ (3,357,760)	\$ 5,301,084	\$ 7,548,430	\$ 2,121,346	\$ 6,371,725	\$ 7,492,013	\$ 13,655,653
Business-type activities	815,254	(958,726)	559,219	(120,999)	1,857,818	1,610,841	2,936,615	2,549,984	4,019,983	4,291,435
Total primary government	\$ 4,585,403	\$ 3,293,167	\$ 6,262,112	\$ (3,478,759)	\$ 7,158,902	\$ 9,159,271	\$ 4,959,961	\$ 8,921,709	\$ 11,511,996	\$ 17,947,088

Data Source:

Audited Financial Statements

Notes:

(1) In FY2009 the Arena Fund was dissolved into the General Fund.

City of Dover, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2009	2010 (1)	2011 (2)	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 2,309,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	3,273	3,821	3,144	4,094	3,189	2,910	4,711	3,313	2,106
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	732,278	806,786	823,847	666,026	742,947	548,143	623,698	651,658	532,782
Assigned	-	1,785,338	1,658,291	2,221,108	1,946,182	2,026,919	2,629,447	2,353,322	2,448,727	3,082,052
Unassigned	-	5,473,996	5,941,993	7,285,807	8,791,826	13,332,024	15,368,593	16,529,005	19,236,386	21,211,552
Unreserved	5,114,311	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 7,423,324	\$ 7,994,885	\$ 8,410,891	\$ 10,333,906	\$ 11,408,128	\$ 16,105,079	\$ 18,549,093	\$ 19,510,736	\$ 22,340,084	\$ 24,828,492

All Other Governmental funds

Nonspendable	\$ -	\$ 1,587,830	\$ 1,846,692	\$ 1,914,358	\$ 1,904,659	\$ 2,220,330	\$ 2,307,402	\$ 2,294,202	\$ 2,450,521	\$ 2,499,141
Restricted Special Revenues	-	4,365,197	1,955,496	1,983,730	2,308,974	2,610,715	2,872,323	2,802,941	2,315,325	2,418,708
Restricted Capital Projects	-	13,874,051	5,645,164	6,844,332	4,161,412	31,080,546	18,509,670	71,973,699	44,531,415	11,919,114
Committed - Special Revenues	-	895,930	3,086,889	3,348,329	3,511,216	4,472,711	4,877,305	7,504,243	8,126,897	7,487,312
Committed - Capital Projects	-	322,107	784,738	1,439,523	2,243,338	2,870,797	3,771,215	4,507,685	4,475,215	2,577,118
Unassigned - Special Revenue	-	(1,215,514)	(1,207,470)	(1,172,470)	(1,046,459)	(912,035)	(1,255,994)	(1,490,241)	(1,334,461)	(1,139,456)
Unassigned - Capital Projects	-	(1,312,766)	(1,665,817)	(1,668,358)	(2,225,177)	(1,932,286)	(2,724,274)	(4,271,583)	(8,531,057)	(6,447,349)
Reserved	5,914,151	-	-	-	-	-	-	-	-	-
Unreserved, reported in	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	4,727,590	-	-	-	-	-	-	-	-	-
Capital Project Funds	6,315,773	-	-	-	-	-	-	-	-	-
Total All Other Governmental funds	\$ 16,957,514	\$ 18,516,835	\$ 10,445,692	\$ 12,689,444	\$ 10,857,963	\$ 40,410,778	\$ 28,357,647	\$ 83,320,946	\$ 52,033,855	\$ 19,314,588

Data Source:

Audited Financial Statements

Notes:

(1) Recalculated Fiscal Year 2010 fund balances to show comparison of GASB Statement No. 54 to Fiscal Year 2011.

(2) Fiscal Year 2011 is the initial year of implementation of GASB Statement No. 54.

City of Dover, New Hampshire

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2009	2010	2011	2012	Fiscal Year 2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 58,276,107	\$ 60,176,461	\$ 61,609,630	\$ 64,983,178	\$ 66,991,169	\$ 69,598,135	\$ 71,934,718	\$ 74,132,284	\$ 77,811,230	\$ 82,166,822
Licenses and permits	4,347,705	4,230,271	4,706,025	4,485,076	5,177,215	5,359,187	6,241,899	6,388,773	7,191,396	7,579,771
Intergovernmental	10,778,255	11,704,972	8,669,775	8,154,896	8,155,189	7,366,969	7,159,590	7,138,834	11,193,558	17,327,815
Current service charges	7,092,059	6,880,432	7,689,502	7,341,861	7,056,148	7,452,330	7,990,234	7,695,901	8,393,955	8,224,856
Education	12,700,692	13,637,769	12,856,890	12,424,970	11,394,990	11,796,996	13,111,441	13,666,548	16,242,376	15,114,599
Miscellaneous revenue	2,238,920	651,276	1,392,214	692,808	992,739	3,097,091	1,664,654	1,754,994	1,761,108	2,390,785
Total revenues	95,433,738	97,281,181	96,924,036	98,082,789	99,767,450	104,670,708	108,102,536	110,777,334	122,593,623	132,804,648
Expenditures										
General government	\$ 3,897,489	\$ 4,254,050	\$ 4,194,840	\$ 4,047,895	\$ 4,254,368	\$ 4,131,144	\$ 4,719,204	\$ 5,483,243	\$ 4,571,895	\$ 5,004,709
Public safety	12,983,903	14,529,070	14,169,409	13,961,389	14,674,961	15,606,039	15,909,318	17,334,689	18,018,344	19,327,731
Public works	6,087,921	8,677,677	4,456,543	5,371,344	3,001,813	4,899,207	5,239,379	4,969,552	6,514,816	5,812,709
Culture and recreation	3,799,731	3,713,823	3,558,306	3,577,308	3,605,724	3,890,294	3,915,032	4,090,534	4,223,594	4,342,454
Education	44,840,166	44,017,518	46,812,153	45,773,509	46,140,129	46,109,607	49,009,498	52,081,238	53,076,911	55,337,065
Public Welfare	1,129,423	1,205,134	1,220,988	1,307,385	1,432,589	1,186,220	1,113,325	1,161,043	1,032,223	906,242
Intergovernmental	6,772,323	7,030,640	7,033,271	7,303,817	7,521,254	7,771,799	8,057,565	8,331,912	8,513,779	8,713,747
Capital outlay (1)	13,032,244	11,501,504	11,934,296	5,015,237	8,711,942	6,652,837	16,098,818	24,839,436	39,331,111	58,245,982
Debt service										
Principal	6,645,849	6,624,599	6,954,496	7,758,142	6,871,400	6,682,111	7,380,850	7,392,481	6,708,411	6,656,620
Interest	3,148,136	3,307,087	3,484,400	3,181,159	3,239,002	3,032,425	3,744,660	3,770,812	6,607,934	5,987,925
Total expenditures	102,337,185	104,861,102	103,818,702	97,297,185	99,453,182	99,961,683	115,187,649	129,454,940	148,599,018	170,335,184
Excess of revenues	(6,903,447)	(7,579,921)	(6,894,666)	785,604	314,268	4,709,025	(7,085,113)	(18,677,606)	(26,005,395)	(37,530,536)
Over/(under) expenditures										
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 8,545,000	\$ 9,839,000	\$ 250,000	\$ 4,800,000	\$ -	\$ 29,898,310	\$ 110,058	\$ 73,900,000	\$ -	\$ 8,981,000
Bond Premium	-	260,390	-	713,942	697,521	1,805,936	2,531,902	3,021,277	-	2,035,007
Refunding Bond Issuance	-	8,790,000	-	8,530,000	-	-	19,587,404	-	-	6,701,410
Payment to Refunding Escrow	-	(9,050,390)	-	(9,182,189)	-	-	(22,119,306)	-	-	(7,950,417)
Transfers in	1,498,009	1,178,796	1,513,089	1,594,601	1,891,438	1,495,120	1,483,906	4,322,379	3,894,520	3,095,663
Transfers out	(2,685,641)	(1,308,796)	(2,525,138)	(3,064,852)	(3,666,379)	(3,658,760)	(4,117,968)	(6,856,543)	(6,346,868)	(5,562,986)
Total governmental activities	7,357,368	9,709,000	(762,049)	3,381,502	(1,077,420)	29,540,606	(2,524,004)	74,387,113	(2,452,348)	7,299,677
Net Change in fund balances	\$ 453,921	\$ 2,129,079	\$ (7,656,715)	\$ 4,167,106	\$ (763,152)	\$ 34,249,631	\$ (9,609,117)	\$ 55,709,507	\$ (28,457,743)	\$ (30,230,859)
Debt Service as a percentage of non-capital outlay expenditures	11.0%	10.6%	11.4%	11.9%	11.1%	10.4%	11.2%	10.7%	12.2%	11.3%
Data Source: Audited Financial Statements										

Notes

- (1) Capital outlay expenditures are presented within other function categories on page 39.
- (2) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 39.

City of Dover, New Hampshire

Changes in Fund Balances, General Fund

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 58,047,052	\$ 59,716,911	\$ 61,423,333	\$ 64,887,292	\$ 66,723,579	\$ 69,502,104	\$ 71,659,054	\$ 73,715,276	\$ 77,229,820	\$ 81,532,030
Licenses and permits	4,159,499	4,033,837	4,365,496	4,251,360	4,712,167	5,043,259	5,659,413	5,972,416	6,587,705	6,608,048
Intergovernmental	3,762,458	2,959,288	2,890,931	2,563,487	2,523,877	2,524,142	2,629,382	2,705,789	2,817,484	2,911,234
Current service charges	2,702,644	2,811,409	2,853,210	3,018,628	2,816,587	3,164,247	3,150,043	3,146,171	3,583,074	3,529,442
Education	12,700,692	13,637,769	12,856,890	12,424,970	11,394,990	11,796,996	13,111,441	13,666,548	16,242,376	15,114,599
Miscellaneous revenue	702,508	351,686	289,266	210,094	239,271	1,661,619	783,428	863,746	741,840	704,510
Total revenues	82,074,853	83,510,900	84,679,126	87,355,831	88,410,471	93,692,367	96,992,761	100,069,946	107,202,299	110,399,863
Expenditures by Function										
General government	3,870,728	\$ 3,935,300	\$ 4,216,767	\$ 4,082,660	\$ 4,296,218	\$ 4,428,283	\$ 4,628,669	\$ 5,228,131	\$ 4,773,060	\$ 4,880,776
Public safety	12,444,070	12,548,669	12,653,659	12,277,684	13,181,881	14,176,746	14,728,479	15,893,783	16,527,642	17,475,339
Public works	4,846,815	4,897,654	5,115,274	5,308,473	5,221,520	5,315,305	5,745,664	6,113,751	7,077,941	6,980,110
Culture and recreation	3,256,539	3,131,978	3,034,671	2,979,609	2,917,619	2,950,854	3,167,956	3,192,983	3,370,585	3,457,970
Education	39,029,285	40,382,145	40,029,006	40,131,390	41,077,160	41,226,133	44,021,229	46,490,579	47,858,521	50,635,059
Public Welfare	687,415	693,536	783,832	847,807	864,401	753,649	719,391	-686,705	710,019	594,909
Intergovernmental	6,772,323	7,030,640	7,033,271	7,303,817	7,521,254	7,771,799	8,057,565	8,331,912	8,513,779	8,713,747
Debt service										
Principal	6,425,849	6,404,599	6,724,496	6,615,142	6,563,165	6,367,111	6,751,550	6,784,173	6,074,135	5,999,169
Interest	2,964,280	3,121,893	3,308,006	3,010,759	3,062,533	2,871,076	3,245,410	3,258,405	6,125,814	5,523,455
Total expenditures	80,297,304	82,146,414	82,898,982	82,557,341	84,705,751	85,860,956	91,065,913	95,980,422	101,031,496	104,260,534
Excess of revenues	1,777,549	1,364,486	1,780,144	4,798,490	3,704,720	7,831,411	5,926,848	4,089,524	6,170,803	6,139,329
Over(under) expenditures										
Other Financing Sources (Uses)										
Proceeds from borrowing		8,790,000		8,530,000			19,697,462			6,701,410
Bond Premium		260,390		713,942		2,761	2,531,902	3,021,277		1,249,007
Payment to Refunding Escrow		(9,050,390)		(9,192,189)			(22,119,306)			(7,950,417)
Transfers in		515,856	578,650	137,624	1,036,554	521,291	525,076	707,613	3,005,413	1,912,065
Transfers out	(2,685,641)	(1,308,796)	(2,525,138)	(3,064,852)	(3,666,379)	(3,658,760)	(4,117,968)	(6,856,543)	(6,346,868)	(5,562,986)
Total governmental activities	(2,685,641)	(792,940)	(1,946,488)	(2,875,475)	(2,629,825)	(3,134,708)	(3,482,834)	(3,127,653)	(3,341,455)	(3,650,921)
Net Change in fund balances	\$ (908,092)	\$ 571,546	\$ (166,344)	\$ 1,923,075	\$ 1,074,895	\$ 4,696,703	\$ 2,444,014	\$ 961,871	\$ 2,829,348	\$ 2,488,408

Data Source:

Audited Financial Statements

Notes

(1) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 39.

City of Dover, New Hampshire

Changes in Fund Balances, Special Revenue Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 229,055	\$ 459,550	\$ 186,297	\$ 95,886	\$ 267,590	\$ 96,031	\$ 275,664	\$ 417,008	\$ 581,410	\$ 634,792
Licenses and permits	188,206	196,434	340,529	233,716	465,048	315,928	582,486	416,357	603,691	971,723
Intergovernmental	4,403,292	6,479,642	5,757,869	5,535,460	5,241,734	4,842,827	4,491,834	4,433,045	4,494,468	4,739,211
Current service charges	4,389,415	4,069,023	4,225,664	4,319,465	4,239,561	4,288,083	4,840,191	4,549,730	4,740,698	4,695,414
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	226,899	154,015	979,172	60,007	631,302	1,256,472	649,262	727,869	1,010,068	1,241,416
Total revenues	9,436,867	11,358,664	11,489,531	10,244,534	10,845,235	10,799,341	10,839,437	10,544,009	11,430,335	12,282,556
Expenditures										
General government	91,089	378,836	326,691	490,534	216,318	176,570	191,211	217,464	914,398	37,823
Public safety	2,027,429	1,859,906	1,747,205	1,866,562	1,730,498	1,413,487	1,724,658	1,326,013	1,571,474	2,009,926
Public works	1,014,447	1,098,536	990,977	838,577	884,639	827,878	908,303	1,023,337	955,478	1,037,061
Culture and recreation	740,989	761,471	705,093	701,043	804,904	924,449	973,505	1,002,790	1,071,642	1,148,449
Education	6,046,817	6,922,299	6,628,473	5,943,857	5,474,992	5,071,911	5,385,791	5,681,952	5,392,435	4,841,434
Public Welfare	442,008	511,598	437,156	459,578	568,188	432,571	393,934	474,338	322,204	311,333
Debt service										
Principal	220,000	220,000	230,000	245,000	308,235	315,000	629,300	608,308	634,276	657,451
Interest	183,856	185,194	176,394	170,400	176,469	161,350	499,250	512,407	482,120	464,470
Total expenditures	10,766,635	11,937,840	11,241,989	10,715,551	10,164,243	9,323,216	10,705,952	10,846,609	11,344,027	10,507,947
Excess of revenues										
Over/(under) expenditures	(1,329,768)	(579,176)	247,542	(471,017)	680,992	1,476,125	133,485	(302,600)	86,308	1,774,609
Other Financing Sources (Uses)										
Bond Premium						1,485				
Transfers in	1,398,009	1,107,940	962,102	1,215,884	1,352,958	915,640	1,154,435	3,569,924	3,655,930	1,578,688
Transfers out	(477,588)	(45,000)	(143,970)	(352,193)	(1,436,074)	(679,811)	(878,605)	(1,172,878)	(3,295,101)	(3,645,874)
Total governmental activities	920,421	1,062,940	818,132	863,691	(83,116)	237,314	275,830	2,397,046	360,829	(2,067,186)
Net Change in fund balances										
\$ (409,347)	\$ 483,764	\$ 1,065,674	\$ 392,674	\$ 597,876	\$ 1,713,439	\$ 409,315	\$ 2,094,446	\$ 447,137	\$ (292,577)	

Data Source

Audited Financial Statements

City of Dover, New Hampshire

Changes in Fund Balances, Capital Project Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
Revenues	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Intergovernmental	\$ 2,612,505	\$ 2,266,042	\$ 20,975	\$ 55,949	\$ 389,578	\$ -	\$ 38,374	\$ -	\$ 3,881,606	\$ 9,677,370
Current service charges	-	-	610,628	3,768	-	-	-	-	70,183	-
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	1,309,513	145,575	123,776	422,707	122,166	179,000	231,964	163,379	9,200	444,859
Total revenues	3,922,018	2,411,617	755,379	482,424	511,744	179,000	270,338	163,379	3,960,989	10,122,229
Expenditures										
Capital outlay	11,273,246	10,776,848	9,677,731	3,126,293	4,583,188	4,777,511	13,415,784	22,627,909	36,223,495	55,566,703
Debt service	-	-	-	898,000	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	11,273,246	10,776,848	9,677,731	4,024,293	4,583,188	4,777,511	13,415,784	22,627,909	36,223,495	55,566,703
Excess of revenues										
Over(under) expenditures	(7,351,228)	(8,365,231)	(8,922,352)	(3,541,869)	(4,071,444)	(4,598,511)	(13,145,446)	(22,464,530)	(32,262,506)	(45,444,474)
Other Financing Sources (Uses)										
Proceeds from borrowing	8,545,000	9,839,000	250,000	4,800,000	-	29,898,310	-	73,900,000	-	8,981,000
Bond Premium	-	-	-	-	697,521	1,801,690	-	-	-	786,000
Transfers in	577,588	-	219,760	612,500	938,000	738,000	683,000	1,217,720	1,424,948	6,307,821
Transfers out	-	(400,000)	(103,453)	(19,214)	-	-	-	-	(896,670)	(3,057,037)
Total governmental activities	9,122,588	9,439,000	366,307	5,393,286	1,635,521	32,438,000	683,000	75,117,720	528,278	13,017,784
Net Change in fund balances	\$ 1,771,360	\$ 1,073,769	\$ (8,556,045)	\$ 1,851,417	\$ (2,435,923)	\$ 27,839,489	\$ (12,462,446)	\$ 52,653,190	\$ (31,734,228)	\$ (32,426,690)

Data Source:

Audited Financial Statements

Combined Utility Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Revenue		Transfers In	Total	Expenses		Transfers Out	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
		Charges for Services	Other			Operations & Maintenance	Depreciation	Interest Expense				
2018	\$ 1,727,103	\$ 11,679,052	\$ 1,183,534	\$ -	\$ 14,589,689	\$ 6,135,205	\$ 2,973,820	\$ 801,298	\$ 374,917	\$ 10,285,240	-	\$ 4,304,449
2017	643,618	11,250,025	1,918,315	-	13,811,958	5,622,790	2,948,731	841,995	365,244	9,778,760	-	4,033,198
2016	51,857	11,413,360	804,359	-	12,269,376	5,501,935	3,086,969	771,963	347,708	9,708,585	-	2,560,811
2015	1,286,827	10,939,089	585,001	-	12,790,917	5,518,208	3,246,709	1,030,363	150,414	9,945,694	(2,454,975)	58,621,945 (1)
2014	6,243	10,010,778	1,400,564	-	11,417,585	5,581,599	3,220,880	889,352	122,670	9,794,501	(1,872,149)	58,231,697 (2)
2013	885,997	9,265,928	1,270,693	-	11,422,618	5,469,957	3,178,004	817,676	95,382	9,561,019	-	58,480,762
2012	-	8,575,866	472,362	-	9,048,228	5,405,306	3,012,690	653,783	89,198	9,160,977	-	56,619,163
2011	-	8,548,760	378,982	-	8,927,752	5,069,692	2,748,164	823,894	47,880	8,689,630	-	56,731,912
2010	-	7,691,639	515,069	-	8,206,708	5,366,058	2,869,111	937,184	-	9,172,353	-	56,493,790
2009	-	7,729,875	781,269	-	8,511,144	5,113,860	2,708,927	1,012,204	1,607	8,836,598	-	57,459,438

Includes Water and Sewer Funds

Water Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Revenue		Transfers In	Total	Expenses		Transfers Out	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
		Charges for Services	Other			Operations & Maintenance	Depreciation	Interest Expense				
2018	\$ 761,172	\$ 4,796,902	\$ 411,994	\$ -	\$ 5,970,068	\$ 2,501,098	\$ 952,405	\$ 294,545	\$ 118,639	\$ 3,866,687	-	\$ 2,103,381
2017	639,160	4,659,866	299,766	-	5,598,792	2,239,227	926,373	321,639	110,289	3,597,528	-	2,101,264
2016	46,579	4,961,889	406,511	-	5,414,979	2,175,472	897,884	375,536	85,454	3,534,346	-	1,880,633
2015	89,074	4,827,712	253,867	-	5,170,653	2,297,357	883,272	489,923	96,570	3,767,122	(1,860,659)	22,452,871 (1)
2014	3	4,541,393	407,033	-	4,948,429	2,308,757	887,135	480,445	89,129	3,765,466	(744,279)	22,909,999 (2)
2013	600,000	4,392,738	635,083	-	5,627,821	2,293,021	877,890	428,263	75,005	3,674,179	-	1,953,642
2012	-	4,147,280	299,019	-	4,446,299	2,412,373	837,175	369,039	75,552	3,694,139	-	1,952,160
2011	-	4,221,145	118,455	-	4,339,600	2,227,709	741,785	444,874	42,059	3,456,427	-	883,173
2010	-	3,820,888	148,106	-	3,968,994	2,397,882	903,461	444,208	-	3,745,551	-	223,443
2009	-	3,876,794	129,488	-	4,006,282	2,310,328	575,562	476,735	-	3,362,625	-	643,657

Sewer Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Revenue		Transfers In	Total	Expenses		Transfers Out	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
		Charges for Services	Other			Operations & Maintenance	Depreciation	Interest Expense				
2018	\$ 965,931	\$ 6,882,150	\$ 771,540	\$ -	\$ 8,619,621	\$ 3,634,107	\$ 2,021,415	\$ 506,753	\$ 256,278	\$ 6,418,553	-	\$ 2,201,068
2017	4,458	6,590,159	1,618,549	-	8,213,166	3,383,563	2,022,358	520,356	254,955	6,181,232	-	2,031,934
2016	5,078	6,451,471	397,848	-	6,854,397	3,326,463	2,189,075	396,427	262,254	6,174,219	-	680,178
2015	1,197,753	6,111,377	311,134	-	7,620,264	3,220,851	2,363,437	540,440	53,844	6,178,572	(594,316)	36,169,074 (1)
2014	6,240	5,469,385	993,531	-	6,469,156	3,272,842	2,333,745	388,907	33,541	6,029,035	(1,127,870)	35,321,698 (2)
2013	285,997	4,873,190	635,610	-	5,794,797	3,176,936	2,300,114	389,413	20,377	5,886,840	-	36,009,447
2012	-	4,428,586	173,343	-	4,601,929	2,992,933	2,175,515	284,744	13,646	5,466,838	-	36,101,490
2011	-	4,327,615	260,537	-	4,588,152	2,841,983	2,006,379	379,020	5,821	5,233,203	-	36,966,399
2010	-	3,870,751	366,963	-	4,237,714	2,968,176	1,965,650	492,976	-	5,426,802	-	37,611,450
2009	-	3,853,081	651,781	-	4,504,862	2,803,532	2,133,365	535,469	1,607	5,473,973	-	38,800,537

Data Source:
Audited Financial Statements

Notes:

- (1) Total Net Position as restated for Fiscal Year ending June 30, 2015. Restatement resulting from implementation of GASB No. 75.
(2) Total Net Position as restated for Fiscal Year ending June 30, 2014. Restatement resulting from implementation of GASB No. 68.

City of Dover, New Hampshire

General Government Tax Revenues by Source

Last Ten Fiscal Years

Fiscal Year	Property Taxes	Current Use Penalties	Boat Tax	Yield Tax	Payment in Lieu of Tax	Excavation Tax	Tax Interest & Penalties	Total
2018	\$ 81,486,879	\$ 142,675	\$ 21,339	\$ 1,630	\$ 154,114	\$ 3,278	\$ 356,906	\$ 82,166,821
2017	77,202,997	130,192	20,372	4,941	101,808	3,817	347,103	77,811,230
2016	73,539,636	111,844	22,167	3,077	79,939	9,300	366,320	74,132,283
2015	71,132,393	176,168	19,844	19,447	67,975	7,127	412,269	71,835,223
2014	68,899,121	96,031	21,982	1,851	71,664	5,914	501,572	69,598,135
2013	66,181,631	267,591	18,283	2,064	76,435	2,547	442,619	66,991,169
2012	64,367,156	95,886	20,449	7,717	68,428	9,892	413,650	64,983,178
2011	60,971,187	186,297	16,903	4,651	75,847	2,083	352,662	61,609,630
2010	59,336,642	459,550	17,366	1,560	54,384	3,600	303,359	60,176,461
2009	57,638,349	229,055	16,177	1,096	78,157	5,484	307,789	58,276,107

Data Source:
Audited Financial Statements

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Balance at Fiscal Year End of Levy Year	Subsequent Tax Collections	Balance at end of Current Fiscal year	Total Collections to Date		Number of Parcels	
		Amount	% of Levy				Amount	% of Levy	in Levy	% Liened
2018	\$ 81,494,495	\$ 79,071,330	97.0%	\$ 2,423,165	-	\$ 2,423,165	\$ 79,071,330	97.0%	10,190	221
2017	76,921,421	74,654,336	97.1%	2,267,085	1,752,506	514,579	76,406,842	99.3%	10,139	221
2016	73,694,589	71,204,095	96.6%	2,490,494	2,140,329	350,165	73,344,424	99.5%	10,092	250
2015	70,970,925	68,361,482	96.3%	2,609,443	2,528,707	80,736	70,890,189	99.9%	10,058	245
2014	68,263,833	65,462,206	95.9%	2,801,627	2,754,901	46,726	68,217,107	99.9%	10,026	280
2013	66,147,949	63,043,571	95.3%	3,104,378	3,053,054	51,324	66,096,625	99.9%	9,950	307
2012	64,548,459	61,508,390	95.3%	3,040,069	3,023,199	16,870	64,531,589	100.0%	9,899	355
2011	61,316,723	58,300,049	95.1%	3,016,674	3,009,639	7,035	61,309,688	100.0%	9,873	366
2010	59,722,532	56,637,028	94.8%	3,085,504	3,078,221	7,283	59,715,249	100.0%	9,825	417
2009	57,813,956	55,182,839	95.4%	2,631,117	2,629,755	1,362	57,812,594	100.0%	9,808	380

Data Source:

Audited Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Tax liens are placed within 60 days after the end of the fiscal year. Taxpayers have two years to redeem liens prior to property being tax dedeed.

City of Dover, New Hampshire

Assessed and Estimated Full Value of Real Property

Last Ten Fiscal Years

Fiscal Year	Local Assessed Value (1)				Total Assessed Value	Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Value		Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/Industrial	Utilities	Total Assessed Value				Estimated Full Value (2)	Assessed Value	
2018	\$ 2,387,292,280	\$ 744,073,180	\$ 63,627,800	\$ 3,194,993,260	\$ 44,761,800	\$ 3,150,231,460	\$ 25.87	\$ 3,478,785,924	91.9%	
2017	2,178,038,820	737,039,940	59,357,800	2,974,436,560	47,332,500	2,927,104,060	26.29	3,256,575,668	91.4%	
2016	2,060,963,970	710,335,810	56,106,100	2,827,405,880	48,728,100	2,778,677,780	26.61	3,104,875,672	91.2%	
2015	2,040,692,330	705,528,690	48,496,900	2,794,717,920	48,686,100	2,746,031,820	26.01	2,967,795,696	94.3%	
2014	1,956,116,310	698,825,840	42,375,900	2,697,318,050	48,017,600	2,649,300,450	25.97	2,850,372,307	94.7%	
2013	1,932,326,900	690,054,300	38,603,100	2,660,984,300	48,980,100	2,612,004,200	25.52	2,746,252,625	96.9%	
2012	1,924,887,500	678,660,400	38,603,100	2,642,151,000	49,544,400	2,592,606,600	25.12	2,716,654,840	97.3%	
2011	1,948,881,800	673,620,000	35,415,000	2,657,916,800	51,381,750	2,606,535,050	23.75	2,774,177,802	95.8%	
2010	1,934,577,500	666,109,800	35,400,900	2,636,088,200	52,866,750	2,583,221,450	23.33	2,768,903,096	95.2%	
2009	2,094,567,000	685,319,200	35,303,500	2,815,189,700	51,608,150	2,763,581,550	21.10	3,009,995,763	93.5%	

Data Sources:

(1) State MS-1 Report of Assessed Values

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Principal Taxpayers Current Year and Nine Years Ago

Taxpayer	Type of Business	2018		Percentage of		2009		Percentage of	
		Assessed	Rank	Total Assessed	Value	Assessed	Rank	Total Assessed	Value
Liberty Mutual Insurance Co	Insurance	\$ 60,834,960	1	1.93	%	\$ 74,352,200	1	2.69	%
Public Service Co of NH	Utility	33,669,700	2	1.07		23,001,600	2	0.83	
Northern Utilities Inc	Gas Utility	24,052,500	3	0.76		11,092,600	7	0.40	
Wentworth Douglass Hospital	Hospital	17,528,200	4	0.56				-	
Lilac Gardens LLC (Current) New Meadows (Prev)	Apartments	16,241,400	5	0.52		20,969,200	3	0.76	
Coheco Mills Holdings (Current) Dover Mills (Prev)	Comm/Res Rentals	12,283,800	6	0.39		11,114,800	6	0.40	
851 Central Ave LLC (Current) Shaw's(Previously)	Supermarket	11,945,000	7	0.38		10,998,800	8	0.40	
171 Watson Rd of Dover Holding Corp.	Scholastic Testing	11,284,190	8	0.36		15,742,200	5	0.57	
Sawyers Mills Assoc Inc	Apartments	10,244,400	9	0.33				-	
Dover Retirement Residence LLC	Elderly Housing	9,482,900	10	0.30		10,359,400	9	0.37	
Holgate Limited Partnership	Comm/Res Rentals	-	-	-		15,911,400	4	0.58	
MSM Brothers, Inc	Apartments	-	-	-		9,894,700	10	0.36	
Total Principal Taxpayers		\$ 207,567,050		6.59	%	\$ 203,436,900		7.36	%
Total Net Assessed Taxable Value		\$ 3,150,231,460				\$ 2,763,581,550			

Data Source:
City of Dover Tax Warrant

City of Dover, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

Fiscal Year	City Direct Rates					Overlapping Rates		Estimated Full Value Rate
	City	Budgetary Fund Balance (1)	Total City (2)	Local School (2)	State School (3)	Total School	County	
2018	\$ 9.96	\$ -	\$ 9.96	\$ 10.91	\$ 2.23	\$ 13.14	\$ 2.77	\$ 25.87
2017	10.40	-	10.40	10.59	2.39	12.98	2.91	26.29
2016	10.47	-	10.47	10.65	2.49	13.14	3.00	26.61
2015	10.09	-	10.09	10.50	2.49	12.99	2.93	26.01
2014	9.99	-	9.99	10.54	2.51	13.05	2.93	25.97
2013	9.71	-	9.71	10.38	2.55	12.93	2.88	25.52
2012	9.54	-	9.54	10.26	2.50	12.76	2.82	25.12
2011	8.93	-	8.93	9.57	2.55	12.12	2.70	23.75
2010	8.55	-	8.55	9.54	2.52	12.06	2.72	23.33
2009	7.57	-	7.57	8.79	2.31	11.10	2.43	21.10
								\$ 23.39
								23.59
								23.77
								24.03
								24.10
								24.24
								23.94
								22.26
								21.70
								19.33

Data Source:
NH State Department of Revenue Administration

Notes:

- (1) Reflects the decrease to the City rate as a result of the City Council voting to use a portion of Fund Balance to finance the budget. This is calculated by the City of Dover for informational purposes.
- (2) Debt service is included in the City and Local School rates.
- (3) The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. Although warranted by the state, the taxes are collected by the City and spent for local school purposes. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

City of Dover, New Hampshire

Utility Fund Net Budget, Billable Volumes and Rates

Last Ten Fiscal Years

Fiscal Year	Amount to be Raised by Rates (1)		Billable Volume Used for Setting Rates (2)		Rates per HCF (4)	
	Water	Sewer	Water	Sewer (3)	Water	Sewer Combined
2018	\$ 4,817,039	\$ 6,967,344	967,769	817,608	\$ 4.98	\$ 8.52 13.50
2017	4,619,643	6,462,210	954,772	805,544	4.84	8.02 12.86
2016	4,451,653	6,283,897	934,160	835,870	4.77	7.52 12.29
2015	4,444,877	6,110,151	947,574	844,781	4.69	7.24 11.93
2014	4,500,308	5,656,509	958,837	866,185	4.69	6.53 11.22
2013	4,361,056	5,317,011	999,253	919,714	4.36	5.78 10.14
2012	3,980,328	5,036,855	999,253	919,714	3.97	5.43 9.40
2011	3,926,131	4,706,175	999,253	933,000	3.93	5.04 8.97
2010	3,847,648	4,426,221	1,019,000	933,000	3.78	4.74 8.52
2009	3,817,555	4,182,454	1,019,000	927,000	3.75	4.51 8.26

Data Source:

City of Dover Budget and Budget Resolutions

Notes:

- (1) Amount to be raised by rate equals the net budget, i.e., appropriations less other revenue sources.
- (2) Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).
- (3) Sewer charges are based on the amount of water consumed.
- (4) One hundred cubic feet (HCF) equals 748 gallons.

City of Dover, New Hampshire

Dover's Share of the Strafford County Tax Apportionment

Last Ten Fiscal Years

(based on percentage of equalized value)

Tax Year	Total Equalized Values			Dover's %
	Dover	Strafford County		
2016	\$ 3,256,575,668	\$ 11,533,147,883		28.2366592%
2015	3,104,875,672	10,983,881,376		28.2675638%
2014	2,967,795,696	10,572,839,297		28.0699972%
2013	2,850,372,307	10,234,553,869		27.8504793%
2012	2,746,252,625	9,955,978,829		27.5839540%
2011	2,716,654,840	9,932,175,396		27.3520627%
2010	2,776,723,718	10,188,669,097		27.2530562%
2009	2,771,603,605	10,535,297,254		26.3077874%
2008	3,012,848,041	11,251,423,584		26.7774830%
2007	3,030,963,132	11,365,940,726		26.6670679%

Fiscal Year	Apportionment of County Tax Levy				Dover's Share % Change
	County Tax Levy	Dover's Share	Dover's Share \$ Change	Dover's Share % Change	
2018	\$ 30,859,696	\$ 8,713,747	\$ 199,968		2.3%
2017	30,118,545	8,513,779	181,867		2.2%
2016	29,682,628	8,331,912	274,347		3.4%
2015	28,931,512	8,057,565	285,766		3.7%
2014	28,175,072	7,771,799	250,545		3.3%
2013	27,497,936	7,521,254	217,437		3.0%
2012	26,800,000	7,303,817	270,546		3.8%
2011	26,744,561	7,033,271	2,631		0.0%
2010	26,255,790	7,030,640	258,317		3.8%
2009	25,395,827	6,772,323	850,102		14.4%

Data Sources:
NH Department of Revenue Administration Equalization Surveys
County Tax Warrants
Adopted Strafford County Budgets

Ratios of Long Term Debt Outstanding and Legal Debt Limits

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt at June 30										
City Depts. (Includes Arena) (1)	\$ 48,729,256	\$ 48,276,316	\$ 44,001,511	\$ 43,702,119	\$ 39,269,915	\$ 64,335,473	\$ 58,626,694	\$ 57,681,422	\$ 52,742,284	\$ 57,850,208
School Dept.	27,408,664	31,196,755	28,640,814	26,097,769	23,658,574	21,809,216	18,833,607	94,393,507	92,147,520	89,537,216
Total Governmental Activities	76,137,920	79,473,071	72,642,325	69,799,888	62,928,489	86,144,689	77,460,301	152,074,929	144,889,804	147,387,424
Water Fund	10,763,000	11,344,000	10,334,000	10,083,800	12,505,800	12,358,176	10,965,000	10,940,238	9,818,205	9,020,964
Sewer Fund	11,128,000	10,815,000	8,957,500	10,660,600	9,863,341	11,810,931	11,674,420	11,189,709	19,547,770	19,765,096
Arena Fund	-	-	-	-	-	-	-	-	-	-
DBIDA Fund	1,983,435	1,841,189	1,794,773	-	-	-	-	-	-	-
Total Debt at June 30	\$ 100,012,355	\$ 103,473,260	\$ 93,728,598	\$ 90,544,288	\$ 85,297,630	\$ 110,313,796	\$ 100,099,721	\$ 174,204,876	\$ 174,255,779	\$ 176,173,484

Base Value for Debt Limits (2) \$ 3,040,617,437 \$ 2,768,903,096 \$ 2,774,177,802 \$ 2,714,253,993 \$ 2,743,418,578 \$ 2,847,426,767 \$ 2,964,737,895 \$ 3,101,733,726 \$ 3,252,898,677 \$ 3,472,369,055

Legal Debt Limits (% of Base Value)

City - 1.75% thru 1998, 3% 1999 on (3) \$ 91,218,523 \$ 83,067,093 \$ 83,225,334 \$ 81,427,620 \$ 82,302,557 \$ 85,422,803 \$ 88,942,137 \$ 93,052,012 \$ 97,586,960 \$ 104,171,072

School - 7% (3) 212,843,221 193,823,217 194,192,446 189,997,780 192,039,300 199,319,874 207,531,653 217,121,361 227,702,907 243,065,834

Water - 10% (3) 304,061,744 278,890,310 277,417,780 271,425,399 274,341,858 284,742,677 296,473,790 310,173,373 325,289,868 347,236,906

DBIDA - Industrial Parks (4) 4,000,000 4,000,000 4,000,000 4,000,000 4,000,000 4,000,000 4,000,000 4,000,000 4,000,000 4,000,000

DBIDA - Industrial Buildings (5) 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000

DBIDA - Industrial Project (6) 225,215,176 210,887,056 212,633,344 211,372,080 212,878,744 215,785,444 223,577,434 226,192,470 237,954,925 255,599,461

Debt Against Legal Debt Limits

City Depts. (Includes Arena) 40,012,470 40,171,288 36,903,240 37,226,320 33,202,108 45,694,305 40,803,024 40,656,460 39,396,668 42,392,923

School Dept. 27,408,664 31,196,754 28,640,814 26,097,769 23,658,574 21,809,216 18,833,607 94,393,507 92,147,520 89,537,216

Water Fund 10,763,000 11,344,000 10,334,000 10,083,800 12,505,800 12,358,176 10,965,000 10,940,238 9,818,205 9,020,964

DBIDA - Industrial Parks 595,000 345,000 100,000 - - - - - - -

DBIDA - Industrial Buildings - - - - - - - - - -

DBIDA - Industrial Project 1,823,435 1,761,189 1,694,773 - - - - - - -

Exempt from Legal Debt Limits (7) 19,409,786 18,655,029 16,055,771 17,136,399 15,931,148 30,452,099 29,498,090 28,214,671 32,893,386 35,222,381

Total Debt at June 30 \$ 100,012,355 \$ 103,473,260 \$ 93,728,598 \$ 90,544,288 \$ 85,297,630 \$ 110,313,796 \$ 100,099,721 \$ 174,204,876 \$ 174,255,779 \$ 176,173,484

Unused Capacity of Legal Debt Limits

City Depts. \$ 51,206,053 \$ 42,895,805 \$ 46,322,094 \$ 44,201,300 \$ 49,100,449 \$ 39,728,498 \$ 48,139,113 \$ 52,395,552 \$ 58,190,292 \$ 61,778,149

School Dept. 185,434,557 162,626,463 165,551,632 163,900,011 168,380,726 177,510,658 188,698,046 122,727,854 135,555,387 153,528,618

Water Fund 293,298,744 265,546,310 267,083,780 261,341,599 261,836,058 272,384,501 285,508,790 299,233,135 315,471,663 338,215,942

DBIDA - Industrial Parks 3,405,000 3,655,000 3,900,000 4,000,000 4,000,000 4,000,000 4,000,000 4,000,000 4,000,000 4,000,000

DBIDA - Industrial Buildings - - - - - - - - - -

DBIDA - Industrial Project 223,391,741 209,125,867 210,938,571 211,372,080 212,878,744 215,785,444 223,577,434 226,192,470 237,954,925 255,599,461

% of Legal Debt Limits Used

City Depts. 43.9% 48.4% 44.3% 45.7% 40.3% 53.5% 45.9% 43.7% 40.4% 40.7%

School Dept. 12.9% 16.1% 14.7% 13.7% 12.3% 10.9% 9.1% 43.5% 40.5% 36.8%

Water Fund 3.5% 4.1% 3.7% 4.1% 4.6% 4.3% 3.7% 3.5% 3.0% 2.6%

DBIDA - Industrial Parks 14.9% 8.6% 2.5% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%

DBIDA - Industrial Buildings 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%

DBIDA - Industrial Project 0.8% 0.8% 0.8% 0.0% 0.0% 0.0% 0.0% 100.0% 100.0% 100.0%

Data Source

Audited Financial Statements

Notes:

- (1) In Fiscal Year 2009 the Arena Enterprise Fund was dissolved into the General Fund.
- (2) Base Value for Debt Limits computed by the NH Department of Revenue Administration
- (3) Legal debt limit percentage rates set by NH State statute
- (4) Dover Business & Industrial Development Authority - Industrial Parks. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
- (5) Dover Business & Industrial Development Authority - Industrial Parks Buildings. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
- (6) Dover Business & Industrial Development Authority - Bond Limit of general obligation of 8% of local assessed value.
- (7) Debt exempt from limits consists of Sewer debt, debt for hazardous waste remediation included in City Departments and debt for Public Parking Improvements and Tax Increment Districts as set per NH State statute.

City of Dover, New Hampshire

Ratios of Outstanding Debt by Debt Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities - General Obligation Debt					% of Net Debt to Assessed Value		Tax Supported Debt per capita (1)	
	City Depts.	School Dept.	Total	Less State		Value	Debt	per capita (1)	Income (2)
				School Aid	Water and Sewer				
2018	\$ 57,850,208	\$ 89,537,216	\$ 147,387,424	\$ 4,145,491	\$ 143,240,933	4.5%	\$ 4,548	4.548	
2017	52,742,284	92,147,520	144,889,804	4,763,164	140,126,640	4.8%	4,486	4,486	
2016	57,681,422	94,393,507	152,074,929	5,422,031	146,652,898	5.3%	4,739	4,739	
2015	58,626,694	18,833,607	77,460,301	6,096,850	71,363,451	2.6%	2,316	2,316	
2014	64,335,473	21,809,216	86,144,689	6,783,120	79,361,569	3.0%	2,588	2,588	
2013	39,269,915	23,658,574	62,928,489	7,491,870	55,436,619	2.1%	1,816	1,816	
2012	43,702,119	26,097,769	69,799,888	6,304,708	63,495,180	2.4%	2,093	2,093	
2011	44,101,511	28,640,814	72,742,325	6,919,599	65,822,726	2.5%	2,182	2,182	
2010	48,276,316	31,196,755	79,473,071	7,550,706	71,922,365	2.8%	2,398	2,398	
2009	48,729,256	27,408,664	76,137,920	8,194,361	67,943,559	2.5%	2,310	2,310	

Fiscal Year	DBIDA Fund (4)				Net Debt		% of Personal Income (2)	
	Water Fund	Sewer Fund	Total	Less State Aid	Debt	per capita (1)	Income (2)	
2018	\$ 9,020,964	\$ 19,765,096	\$ -	\$ 28,786,060	\$ 1,377,999	\$ 27,408,061	870	2.6%
2017	9,818,205	19,547,770	-	29,365,975	568,494	28,797,481	922	2.8%
2016	10,940,238	11,189,709	-	22,129,947	108,725	22,021,222	712	2.2%
2015	10,965,000	11,674,420	-	22,639,420	124,029	22,515,391	731	2.3%
2014	12,358,176	11,810,931	-	24,169,107	139,367	24,029,740	784	2.5%
2013	12,505,800	9,863,341	-	22,369,141	154,726	22,214,415	728	2.3%
2012	10,083,800	10,660,600	-	20,744,400	170,169	20,574,231	678	2.2%
2011	10,334,000	8,957,500	1,694,773	20,986,273	1,008,275	19,977,998	662	2.2%
2010	11,344,000	10,815,000	1,841,189	24,000,189	2,051,383	21,948,806	732	2.4%
2009	10,763,000	11,128,000	1,983,435	23,874,435	3,057,565	20,816,870	708	2.4%

Fiscal Year	Total		Percentage of Net Debt to Actual Taxable		Total Debt		% of Personal Income (2)	
	Primary Government	Less State Aid	Net Debt	Value of Property	per capita (1)	Total Debt	per capita (1)	Income (2)
2018	\$ 176,173,484	\$ 5,524,490	\$ 170,648,994	5.4%	\$ 5,418	\$ 5,594	16.6%	16.6%
2017	174,255,779	5,331,658	168,924,121	5.8%	5,409	5,579	16.9%	16.9%
2016	174,204,876	5,530,756	168,674,120	6.1%	5,450	5,629	17.4%	17.4%
2015	100,099,721	6,220,879	93,878,842	3.4%	3,047	3,249	10.1%	10.1%
2014	110,313,796	6,922,487	103,391,309	3.9%	3,371	3,597	11.3%	11.3%
2013	85,297,630	7,846,596	77,451,034	3.0%	2,544	2,795	8.9%	8.9%
2012	90,544,288	6,474,877	84,069,411	3.2%	2,771	2,984	9.7%	9.7%
2011	93,728,598	7,927,874	85,800,724	3.3%	2,844	3,107	10.2%	10.2%
2010	103,473,260	9,602,089	93,871,171	3.6%	3,130	3,451	11.5%	11.5%
2009	100,012,355	11,251,926	88,760,429	3.2%	3,017	3,400	11.5%	11.5%

Data Source:

Audited Financial Statements
Assessing Department MS-1 Reports

Notes:

- (1) Per capita ratio for FY2010 is based on 2010 U.S. Census data, all other years based on trended NH Office of Energy and Planning population estimates
- (2) Personal income ratios based on 2010 US Census amounts and trended NH Office of Energy and Planning estimates..
- (3) In Fiscal Year 2009 the Arena Fund was dissolved into the General Fund
- (4) In Fiscal Year 2012 DBIDA General Obligation Debt was fully paid as part of a real estate sales transaction.

City of Dover, New Hampshire

Computation of Overlapping Debt Stafford County Long Term Debt (Last Ten Calendar Years)

Direct: City of Dover

End of Fiscal Year	General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2018	\$ 147,387,424	100%	\$ 147,387,424
2017	144,889,804	100%	144,889,804
2016	152,074,929	100%	152,074,929
2015	77,460,301	100%	77,460,301
2014	86,144,689	100%	86,144,689
2013	62,928,489	100%	62,928,489
2012	69,799,888	100%	69,799,888
2011	72,742,325	100%	72,742,325
2010	79,473,071	100%	79,473,071
2009	76,137,920	100%	76,137,920

Overlapping: Stafford County

End of Calendar Year	Net General Obligation Debt Outstanding (1)	Percentage Applicable to Government (2)	Amount Applicable to Government
2017	\$ 14,837,723	28.3533515%	\$ 4,206,992
2016	12,409,792	28.2366592%	3,504,111
2015	13,928,991	28.2675638%	3,937,386
2014	14,818,054	28.0699772%	4,159,427
2013	16,394,326	27.8504793%	4,565,898
2012	18,182,190	27.5839540%	5,015,367
2011	19,740,000	27.3520627%	5,399,297
2010	21,535,000	27.2530562%	5,868,946
2009	23,474,863	26.307874%	6,175,717
2008	21,027,839	26.7774830%	5,630,726

Total Direct and Overlapping Debt

End of Fiscal Year	Direct Debt	Overlapping Debt	Total Applicable to Government
2018	\$ 147,387,424	\$ 4,206,992	\$ 151,594,416
2017	144,889,804	3,504,111	148,393,915
2016	152,074,929	3,937,386	156,012,315
2015	77,460,301	4,159,427	81,619,728
2014	86,144,689	4,565,898	90,710,587
2013	62,928,489	5,015,367	67,943,856
2012	69,799,888	5,399,297	75,199,185
2011	72,742,325	5,868,946	78,611,271
2010	79,473,071	6,175,717	85,648,788
2009	76,137,920	5,630,726	81,768,646

Data Sources:

(1) Stafford County Audited Financial Statements at calendar year end

(2) The percentage of the overlap is based on County apportionments determined by the NH Department of Revenue Administration. The City's apportionment is determined by the City's equalized property values as a percentage of the total equalized property values for all municipalities within Stafford County.

City of Dover, New Hampshire

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Family Income (2)	Estimated Total Personal Income (3)	Per Capita Personal Income (2)	City (4)		Unemployment Rates (4)		
					Unemployed	Labor Force	City	State of NH	US
2018	31,495	\$ 80,651	\$ 1,059,397,315	\$ 33,637	430	18,700	2.3%	2.7%	3.9%
2017	31,233	81,321	1,032,562,980	33,060	410	18,140	2.3%	2.7%	4.5%
2016	30,947	80,591	1,000,052,305	32,315	420	18,070	2.3%	2.8%	5.1%
2015	30,808	80,110	988,567,104	32,088	553	17,850	3.1%	3.7%	5.3%
2014	30,669	82,242	974,446,137	31,773	710	18,261	3.9%	5.1%	7.0%
2013	30,521	80,830	956,650,224	31,344	750	18,110	4.2%	5.1%	7.3%
2012	30,343	79,180	938,053,845	30,915	870	18,240	4.8%	5.4%	8.4%
2011	30,165	77,509	919,610,190	30,486	860	17,740	4.8%	5.2%	9.3%
2010	29,987	75,820	901,319,259	30,057	910	17,390	5.2%	5.7%	9.5%
2009	29,417	73,943	871,566,876	29,628	1,072	17,580	6.1%	6.8%	9.8%

Data Sources:

- (1) 2010 data based on 2010 U.S. Census, all other years trended based on NH Office of State Planning population estimates.
- (2) 2010 data based on 2010 U.S. American Community Survey, all other years trended based on U.S. Census data.
- (3) Estimated based on trended population and per capita personal income.
- (4) US Bureau of Labor Statistic - calendar year annual averages not seasonally adjusted.
Reflects calendar year ending during fiscal year (mid-fiscal year).

City of Dover, New Hampshire

Principal Employers

Current Year and Nine Years Ago

Employer	Type of Business	2018				2009			
		Number of Employees	Rank	Percentage of Total City Employment		Number of Employees	Rank	Percentage of Total City Employment	
Liberty Mutual Insurance Co	Insurance	2,979	1	15.93 %		2,613	1	14.86 %	
Wenworth Douglas Hospital	Hospital	1,912	2	10.22		759	2	4.32	
City of Dover (FTEs)	Municipality	843	3	4.51		758	3	4.31	
Stratford County	County Government	559	4	2.99		562	4	3.20	
Measured Progress	Scholastic testing	296	5	1.58		435	5	2.47	
Community Partners of New Hampshire	Behavior/Development Services	309	6	1.65		-	-	-	
United Parcel Services (UPS)	Parcel Delivery	95	7	0.51		-	-	-	
Vygon USA DBA Churchill Medical	Manufacturer - Medical Items	89	8	0.48		230	6	1.31	
Dell Services	Defense Technology Contractor	75	9	0.40		-	-	-	
Certified Retail Solutions	Manufacturer - Retail Systems	68	10	0.36		-	-	-	
Cambridge Tool North	Manufacturer - Die Casting	-	-	-		190	7	1.08	
Fosters Daily Democrat	Newspaper	-	-	-		121	8	0.69	
D.T. Magnetics	Manufacturer - Electronics	-	-	-		105	9	0.60	
Park Nameplate	Nameplates for Auto/Cosmetics	-	-	-		93	10	0.53	
Total Principal Employers		7,225		38.64 %		5,866		33.37 %	
Total City Employment (1)		18,700				17,580			

Data Source:

Final Official Statements for City of Dover bond issues and information provided by City's Economic Development Office.

Notes

(1) US Bureau of Labor Statistics calendar year annual average ending during fiscal year.

City of Dover, New Hampshire

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Finance										
Taxable property parcels assessed	9,808	9,825	9,873	9,899	9,950	10,026	10,058	10,092	10,139	10,190
Property transfers processed	712	689	740	742	904	839	924	1,009	1,023	1,023
Motor vehicles registered	27,665	28,334	29,280	30,838	30,516	30,991	31,187	31,254	32,625	32,345
Inspection Services Division										
Number of inspections conducted (1)	4,227	5,112	4,598	5,203	6,211	6,201	6,387	6,540	6,130	6,914
Building Permits Issued	349	396	358	381	436	396	484	461	537	579
Estimated construction value in millions	\$ 33.74	\$ 29.82	\$ 47.90	\$ 23.78	\$ 50.08	\$ 37.61	\$ 80.35	\$ 58.56	\$ 119.85	\$ 82.30
Police (2)										
Physical arrests	908	789	844	819	923	857	860	820	675	673
Traffic violations	1,326	1,138	1,134	1,217	1,194	1,532	1,544	1,581	1,780	1,310
Parking violations	7,795	7,720	6,679	10,336	8,420	7,890	8,995	9,486	8,942	10,802
Fire and Rescue										
Calls answered	5,018	5,549	5,347	5,242	5,215	5,154	5,481	5,426	5,474	6,040
Emergency Responses	3,844	4,244	4,859	4,609	4,833	4,899	4,488	4,552	4,462	4,439
Fires extinguished	277	306	286	353	328	255	228	190	138	144
Emergency medical responses	2,349	2,614	2,945	2,880	2,873	2,824	3,335	3,387	3,264	3,365
Community services - Public Works										
Refuse collected (tons)	4,919	3,941	3,546	3,884	4,061	4,030	4,020	4,184	4,158	4,374
Recycling (tons)	2,532	2,518	2,493	2,472	2,529	2,419	2,583	2,583	2,630	2,592
Public Library										
Volumes in collections	107,701	104,639	104,974	101,715	99,937	102,090	113,484	109,691	97,868	94,843
Total volumes borrowed	299,346	288,512	296,225	291,515	293,757	286,512	276,232	282,793	291,842	279,124
Public Welfare - General Assistance										
Number of contacts	4,987	6,362	6,308	6,293	5,791	5,029	4,499	4,657	3,360	2,960
Assisted cases	685	1,651	1,924	1,982	1,839	1,541	620	1,270	1,192	854
Water system:										
Water main breaks	16	16	1	4	12	16	16	7	11	17
Daily average consumption (millions of gallons)	2.5	2.8	3.0	3.1	3.1	2.3	2.0	2.4	2.3	2.1
Peak daily consumption (millions of gallons)	3.5	3.2	3.7	4.1	3.6	4.6	2.4	3.0	3.0	2.5
Sewage System:										
Daily average treatment (millions of gallons)	3.1	2.6	2.5	2.5	2.4	2.5	2.5	2.5	2.6	2.6

Data Source:

Various city departments

Notes

(1) In FY 2009 the Building Inspection Division and Fire Inspection Division were combined into one Division.

(2) Calendar year ending during the fiscal year

City of Dover, New Hampshire

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of patrol units	9	9	9	9	9	9	10	10	10	10
Fire and Rescue										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of ladder trucks	2	2	2	2	2	2	2	2	2	2
Number of pumpers	4	4	4	4	4	4	5	5	5	5
Number of support vehicles	6	6	6	6	6	6	6	7	8	8
Number of ambulances	3	3	3	3	3	3	3	4	4	4
Community Services - Public Works										
Miles of streets	133	133	133	133	133	133	134	134	134	134
Miles of storm drains	69	69	69	69	70	70	73	73	74	92
Number of street lights	1,776	1,776	1,771	1,771	1,776	1,778	1,778	1,780	1,785	2,071
Number of bridges	11	12	12	12	12	12	12	12	12	12
Recreation:										
Community centers	1	1	1	1	1	1	1	1	1	1
Number of parks	25	25	25	25	25	25	25	25	26	26
Park acreage	235	235	235	235	235	235	235	235	235	235
Playgrounds	15	15	15	15	15	15	15	15	15	15
Baseball/softball fields	6	6	6	6	6	6	6	6	6	7
Football/soccer fields	2	2	2	2	2	2	2	2	2	3
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	10	10	10	10	10	10	10	8	8	8
Indoor gyms	1	1	1	1	1	1	1	1	1	1
Indoor ice skating sheets	2	2	2	2	2	2	2	2	2	2
Water system:										
Miles of water mains	153	153	153	155	157	158	160	160	170	171
Number of service connections	8,218	8,270	8,321	8,490	8,500	8,558	8,604	8,669	8,651	9,048
Storage capacity in gallons (millions of gallons)	5	5	5	6	6	6	6	6	6	6
Maximum daily capacity of plant (millions of gallons)	5	5	5	5	5	5	5	5	5	5
Number of fire hydrants	1,107	1,107	1,130	1,156	1,156	1,156	1,176	1,193	1,206	1,211
Sewage System:										
Miles of sanitary sewers	120	120	122	122	123	123	125	128	130	136
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	7,464	7,542	7,569	7,786	7,829	7,900	7,999	7,863	7,491	7,828
Maximum daily capacity of treatment (millions of gallons)	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7

Data Source:

Various city departments and city GIS/asset control software

City of Dover, New Hampshire

City Government Employees by Function - Full Time Equivalents Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Executive (1)	12.7	8.0	8.1	7.8	8.1	8.3	8.2	9.2	11.3	12.3
Finance (1)	16.0	20.0	20.0	20.0	20.3	20.9	21.1	20.6	22.2	21.2
Planning (2)	5.5	4.8	5.5	5.5	5.5	5.5	5.5	6.5	6.7	6.7
Total General Government	34.2	32.8	33.6	33.3	33.9	34.7	34.8	36.3	40.2	40.2
Public Safety										
Police - Sworn Officers	48.4	47.4	47.4	47.4	47.4	47.4	49.4	50.5	51.5	51.5
Police - Non-sworn employees	25.6	26.8	29.4	29.4	28.7	28.9	29.3	29.0	32.2	33.2
Total Police Department	74.0	74.2	76.8	76.8	76.1	76.3	78.7	79.5	83.7	84.7
Fire and Rescue (2)	61.1	61.7	61.7	61.4	60.5	61.2	61.5	66.7	68.3	68.8
Total Public Safety	135.1	135.9	138.5	138.2	136.6	137.5	140.2	146.2	152.0	153.5
Public Works										
General Fund functions	36.6	37.3	35.6	34.6	34.5	34.5	34.5	35.8	36.7	35.7
Water	13.0	11.0	10.5	10.5	10.5	10.5	10.5	9.3	8.5	8.5
Sewer	16.0	17.0	17.0	15.0	15.0	16.0	16.0	15.9	15.0	15.0
Fleet maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0
Total Public Works	70.6	70.3	68.1	65.1	65.0	66.0	66.0	66.0	65.2	65.2
Culture and Recreation										
Recreation	34.8	36.2	34.4	34.4	32.7	32.7	32.7	33.7	35.3	35.5
Public Library	13.8	13.5	13.4	13.4	13.9	13.9	14.1	14.8	14.9	15.0
Total Culture and Recreation	48.6	49.7	47.8	47.8	46.6	46.6	46.8	48.5	50.2	50.5
Public Welfare										
Welfare	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total Public Welfare	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total All Functions	291.3	291.5	290.8	287.2	284.9	287.6	290.6	299.8	310.4	312.2
Percent of Total										
General Government	11.7%	11.2%	11.6%	11.6%	11.9%	12.1%	12.0%	12.1%	13.0%	12.9%
Public Safety	46.4%	46.6%	47.6%	48.1%	47.9%	47.8%	48.2%	48.8%	49.0%	49.2%
Public Works	24.2%	24.1%	23.4%	22.7%	22.8%	22.9%	22.7%	22.0%	21.0%	20.9%
Culture and Recreation	16.7%	17.1%	16.4%	16.6%	16.4%	16.2%	16.1%	16.2%	16.2%	16.2%
Public Welfare	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Budgeted Positions per City of Dover Budget. Full time equivalent based on 40 hours per week.

Notes

(1) The City Clerk Office was transferred from Executive Department to Finance Department in FY10.

(2) The Building Inspection Division of the Planning Department was transferred to the Fire and Rescue Department in FY09.

City of Dover, New Hampshire

School Building Information Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Garrison Elementary										
Square feet	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938
Teachers	31.7	33.7	34.2	28.3	27.3	27.1	29.1	29.3	28.0	29.0
Capacity	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5	494.0
Enrollment	541.0	536.0	555.0	464.0	452.0	469.0	470.0	474.0	440.0	421.0
Home Street Elementary										
Square feet	48,236	48,236	58,223	58,223	58,223	58,223	58,223	58,223	58,223	58,223
Teachers	23.7	25.5	24.7	28.3	28.3	30.3	31.3	32.3	32.0	34.0
Capacity	612.5	612.5	620.5	620.5	620.5	620.5	620.5	620.5	620.5	620.5
Enrollment	365.0	370.0	400.0	508.0	507.0	516.0	534.0	511.0	491.0	479.0
Woodman Park Elementary										
Square feet	105,178	105,178	105,178	105,178	105,178	105,178	105,178	105,178	105,178	105,178
Teachers	28.3	27.1	28.9	31.2	32.3	32.3	34.3	39.3	33.0	32.0
Capacity	594.0	594.0	594.0	594.0	594.0	594.0	594.0	594.0	594.0	594.0
Enrollment	506.0	537.0	575.0	541.0	596.0	617.0	599.0	596.0	524.0	496.0
Totals All Elementary Schools										
Square feet	219,352	219,352	229,339	229,339	229,339	229,339	229,339	229,339	229,339	229,339
Teachers	83.7	86.3	87.8	87.8	87.9	89.7	94.7	100.9	93.0	95.0
Capacity	1,879.0	1,879.0	1,887.0	1,887.0	1,887.0	1,887.0	1,887.0	1,887.0	1,887.0	1,887.0
Enrollment	1,412.0	1,443.0	1,530.0	1,513.0	1,555.0	1,602.0	1,603.0	1,581.0	1,455.0	1,396.0
Dover Middle School										
Square feet	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020
Teachers	69.4	67.7	65.9	67.7	66.7	67.5	69.7	70.5	73.0	72.0
Capacity	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0
Enrollment	1,094.0	1,077.0	1,084.0	1,134.0	1,089.0	1,115.0	1,169.0	1,156.0	1,209.0	1,175.0
Dover High School										
Square feet	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670
Teachers	114.9	116.8	112.9	113.3	107.3	103.2	104.4	103.1	103.0	102.0
Capacity	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0
Enrollment	1,728.0	1,649.0	1,574.0	1,522.0	1,480.0	1,396.0	1,358.0	1,427.0	1,344.0	1,424.0
Totals All Schools										
Square feet	629,042	629,042	639,029	639,029	639,029	639,029	639,029	639,029	639,029	639,029
Teachers	268.0	270.8	266.6	268.8	261.9	260.4	268.8	274.5	269.0	269.0
Capacity	5,019.0	5,019.0	5,027.0	5,027.0	5,027.0	5,027.0	5,027.0	5,027.0	5,027.0	5,027.0
Enrollment	4,234.0	4,169.0	4,188.0	4,169.0	4,124.0	4,113.0	4,130.0	4,164.0	4,008.0	3,995.0
Food Service - All Schools										
Number Meals Served	341,272	355,209	358,754	363,718	345,427	344,414	348,071	343,416	322,332	300,340
Avg Daily Participation	1,996	1,973	1,993	2,021	1,939	2,057	1,963	1,957	1,884	1,718

Data Source: School Department - as of official NH Department of Education reporting date: Oct 1st

City of Dover, New Hampshire

School Department Operating Statistics

Last Ten Fiscal Years

Fiscal Year	Operating Budget (1)	Debt Service (1)	Total Budget	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher	
								Ratio	Attendance Percentage
2018	\$ 52,113,315	\$ 5,978,687	\$ 58,092,002	3,995	\$ 14,541	3.8%	269.0	14.9	95.0%
2017	49,542,420	6,589,819	56,132,239	4,008	14,005	15.6%	269.0	14.9	95.0%
2016	46,776,263	3,692,421	50,468,684	4,164	12,120	3.5%	274.5	15.2	95.0%
2015	44,456,755	3,892,349	48,349,104	4,130	11,707	4.3%	268.8	15.4	95.0%
2014	42,263,590	3,914,453	46,178,043	4,113	11,227	0.1%	260.4	15.8	94.9%
2013	42,264,590	3,988,329	46,252,919	4,124	11,216	2.2%	261.9	15.7	94.9%
2012	41,677,206	4,075,515	45,752,721	4,169	10,975	2.8%	268.8	15.5	94.8%
2011	40,468,900	4,245,221	44,714,121	4,188	10,677	-0.3%	266.6	15.7	94.7%
2010	40,699,081	3,934,140	44,633,221	4,169	10,706	5.5%	270.8	15.4	94.6%
2009	39,216,997	3,761,337	42,978,334	4,234	10,151	3.1%	268.0	15.8	94.6%

Data Source:

Budget information from City Adopted Budget and non-financial information provided by the School Department.

Notes:

- (1) Budget is for the General Fund only and excludes grant funds and cafeteria fund.
- (2) Enrollment is based on start of year census.

City of Dover, New Hampshire

School Educational and Service Information

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Dover High School										
Senior Enrollment (1)	391	382	350	363	327	315	315	315	349	340
Status of Seniors (2)										
Graduated	352	378	337	345	336	308	308	313	288	326
Enrolled in four-year college	180	177	158	153	141	157	133	166	141	183
Enrolled in two-year college	70	88	63	74	104	76	74	62	63	59
Enlisted in Armed Forces	10	14	11	9	7	13	6	14	12	16
Post-secondary, workforce or other	92	99	105	109	84	69	95	71	72	68
SAT Mean Scores										
Verbal	497	500	495	509	509	501	516	525	494	529
Math	507	508	501	511	521	513	510	520	516	524
% of Seniors taking test	63%	60%	61%	66%	63%	65%	55%	66%	88%	96%

Data Source:

School Department - as of official NH Department of Education reporting date: Oct 1st

NOTES:

(1) As of Official DOE Reporting Date: Oct 1st. Enrollment includes tuition students.

(2) As of end of fiscal year.

[illegible]

PRINTED IN U.S.A.

New Hampshire State Library



3 4677 00226239 7